Experian Finance plc

Annual report and financial statements

for the year ended 31 March 2016

Company number: 00146575

Experian Finance plc

Annual report and financial statements for the year ended 31 March 2016

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Directors
B J Cassin
L M Pitchford
P A Atkinson
A J W Barnes
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M E Pepper
D R de Vries
M Wells

Company secretary
R P Hanna

Independent auditors
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Experian Finance plc

Strategic report
for the year ended 31 March 2016

Principal activity and business model

Experian Finance plc (the 'Company') is a wholly owned subsidiary of Experian plc, which is the ultimate holding company of the Experian group of companies (the 'Group' or the 'Experian Group'). Experian plc's ordinary shares are traded on the London Stock Exchange's Regulated Market (Premium Listing).

The Company acts as a holding and finance company and provider of certain corporate services to other companies within the Experian Group.

The Company's interests in subsidiary undertakings include the principal trading subsidiaries of the Experian Group in North America, Latin America, and the UK and Ireland. These form the Experian Group's North America, Latin America, and UK and Ireland regions. The principal activities of those companies and regions together are to:

- provide data and analytical tools to clients, who use these to manage credit risk, prevent fraud, target marketing offers and automate decision making; and
- help individuals to manage their credit relationships and protect against identity theft.

In common with the Experian Group's general business model, the North America, Latin America, and UK and Ireland regions are organised through four business lines, Credit Services, Decision Analytics, Marketing Services and Consumer Services, supported by a number of corporate and administrative functions. Descriptions of each of the business lines, their competitive environments and market influences, together with an overview of the Experian Group's business model, strategy and strategic objectives, can be found on pages 4 to 9 of the Experian plc annual report for the year ended 31 March 2016 (the 'Experian annual report'), which does not form part of this report.

The Company also holds indirect interests in some less significant trading subsidiaries of the Experian Group in North America, Latin America, and the UK and Ireland. Other subsidiary undertakings of the Company act as finance and intermediate holding companies and the names of all the Company's subsidiaries at 31 March 2016 are given within notes 20 and 36(a) to the financial statements. The Company is not required to prepare consolidated financial statements under the Companies Act 2006.

At 31 March 2016, the Company had two bonds in issue which have been admitted to trading on The Professional Securities Market of the London Stock Exchange (the 'PSM') and two bonds in issue which have been admitted to trading on the Global Exchange Market of the Irish Stock Exchange. As neither that market nor the PSM are regulated markets, there is no obligation on the part of the Company to prepare consolidated financial statements as a consequence of its use of bond finance. Further details on the Company's bonds are given in note 23 to the financial statements of the Company.

The Company's balance sheet on page 9 shows net assets of US$5,671m (2015: US$5,849m) and net current liabilities of US$9,900m (2015: US$9,649).

Review of business and future developments

The Company has continued to trade satisfactorily during the year and the directors anticipate that it will continue to act as an intermediate holding company and provider of certain corporate services to other companies within the Experian Group. A review of the results of the Experian Group's North America, Latin America, and UK and Ireland regions for the year ended 31 March 2016 and commentary on future developments is given on pages 30 to 35 of the Experian annual report.

Results and dividends

The Company's profit and loss account on page 8 shows a loss for the financial year of US$183m (2015: profit of US$73m, including income from shares in group undertakings of US$129m). The increase in the underlying loss, excluding the effect of income from shares in group undertakings, is primarily attributable to the additional interest cost in respect of the Company's net intra-group balances. No dividends were paid or proposed in respect of the year ended 31 March 2016 (2015: US$nil). There were no changes in the Company's share capital during the year under review and details of allotted and fully paid share capital are given in note 28 to the financial statements.

Principal risks and uncertainties

The principal operational risks and uncertainties facing the Experian Group's North America, Latin America, and UK and Ireland regions and the wider Experian Group, together with the main means by which they are managed or mitigated, are set out on pages 12 to 21 of the Experian annual report. As the Company is an intermediate holding company, its own principal risks and uncertainties are only indirectly related to such risks but are more directly related to the treasury, currency and other risks that are identified and discussed in pages 128 and 129 of that annual report. Such risks are managed on a group basis.

Strategic report
for the year ended 31 March 2016 (continued)

Key performance indicators

As the relevant risks of the Company are managed on a group or divisional basis, the directors believe that analysis using key performance indicators for the Company is not necessary or appropriate for an understanding of its development, performance or position. Information on the Experian Group's key performance indicators is given on pages 10 and 11 of the Experian annual report.

By order of the board

M E Pepper
Director

6 September 2016

Experian Finance plc

Directors' report
for the year ended 31 March 2016

The directors present their report and the audited financial statements for the year ended 31 March 2016. Experian Finance plc's registered number is 00146575. The Company is required to prepare a separate strategic report and that contains certain information equivalent to that required in this directors' report.

Financial and capital risk management, objectives and policies

The Company uses derivative financial instruments to manage its exposures to fluctuations in foreign exchange rates, interest rates and certain obligations, including social security obligations, relating to share incentive plans. Such instruments utilised by the Company include interest rate swaps, cross currency swaps, foreign exchange contracts and equity swaps.

Further details on the use of such financial instruments and the Company's treasury and risk management objectives and policies are set out in pages 128 and 129 of the Experian annual report and also summarised in note 7 to these financial statements. Sensitivity analyses in respect of financial risks are given in notes 9 and 14 to the group financial statements of Experian plc within the Experian annual report and in notes 9 and 16(b) to these financial statements.

Risk management and internal control systems

The principal features of Experian's risk management and internal control systems are set out in pages 78 to 79 of the Experian annual report.

Going concern

Certain group undertakings have confirmed their intention to provide financial support to the Company for at least twelve months from the date of signing the financial statements. Accordingly the Company financial statements have been prepared on a going concern basis, notwithstanding the excess of current liabilities over debtors due within one year and cash at bank and in hand of US$10,685m at 31 March 2016, principally arising in connection with balances with group undertakings.

Transition to Financial Reporting Standard ('FRS') 101 'Reduced disclosure framework' ('FRS 101')

The Company's previous financial statements were prepared in accordance with applicable UK accounting standards. Following the requirements of FRS 100 'Application of financial reporting requirements' coming into effect, the directors have opted to prepare these financial statements in accordance with FRS 101. That intention was communicated to the Company's shareholders in September 2016.

Directors

The directors holding office during the year and up to the date of signing of this report are given on page 1. Mr D R de Vries was appointed as a director on 16 September 2015.

Insurance and third party indemnification

During the year and up to the date of signing of this report the Company, through its parent group, maintained liability insurance and third party indemnification provisions for its directors and the company secretary.

Corporate responsibilities

The Company's corporate responsibility reporting is included within the corporate responsibility report on pages 52 to 57 of the Experian annual report. In addition the full corporate responsibility report for Experian plc is published on the Experian corporate website at www.experianplc.com/crreport.

These reports also include information in respect of community giving and during the year ended 31 March 2016 there was a charge of US$2m (2015: US$1m) in respect of charitable donations by the Company. These donations are given to encourage financial education and entrepreneurship. The Company made no political donations and incurred no items of political expenditure in the year (2015: US$nil).

Directors' report
for the year ended 31 March 2016 (continued)

Employment of people with disabilities

People with disabilities have equal opportunities when applying for vacancies. In addition to complying with legislative requirements, the Company has procedures to ensure that it treats disabled employees fairly and carefully manages their training and career development needs. The policies are considered to operate effectively. The Company supports employees who become disabled during the course of their employment, by offering re-training or re-deployment, to enable them to remain with the Company whenever possible.

Employee involvement

The Company is committed to employee involvement throughout the business. The Company is intent on motivating staff, keeping them informed on matters that concern them in the context of their employment, and involving them through local consultative procedures.

Employees are kept well informed on matters of interest and the financial and economic factors affecting the Experian Group's performance. This is done through management channels, conferences, meetings, publications and intranet sites.

The Company supports employee share ownership by providing employee share plan arrangements, which are intended to align employees' interests with those of Experian plc's shareholders.

Independent auditors

PricewaterhouseCoopers LLP have been the Company's auditors for a number of years. Further details of the audit relationship are given on pages 80 and 81 of the Experian annual report.

Statement of directors' responsibilities

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 'Reduced disclosure framework' ('FRS 101').

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards, including FRS 101 have been followed, subject to any material departures disclosed and explained in the financial statements;
- notify its shareholders in writing about the use of disclosure exemptions, if any, of FRS 101 used in the preparation of financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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

Statement of disclosure of information to auditors

As at the date this report was signed, so far as each director is aware, there is no relevant audit information of which the auditors are unaware and each director has taken all steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the auditors are aware of that information.

By order of the board

M E Pepper
Director

6 September 2016

Independent auditors' report to the members of Experian Finance plc

Report on the financial statements

Our opinion

In our opinion, Experian Finance plc's financial statements (the 'financial statements'):

- give a true and fair view of the state of the Company's affairs as at 31 March 2016 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

What we have audited

The financial statements, included within the annual report and financial statements (the 'annual report'), comprise:

- the balance sheet as at 31 March 2016;
- the profit and loss account and statement of comprehensive income for the year then ended;
- the statement of changes in equity for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is United Kingdom Accounting Standards, comprising FRS 101 'Reduced disclosure framework', and applicable law (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the directors have made a number of subjective judgments, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion, the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- 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.

We have no exceptions to report arising from this responsibility.

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

Independent auditors' report to the members of Experian Finance plc (continued)

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the statement of directors' responsibilities set out on page 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) ('ISAs (UK & Ireland)'). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

What an audit of financial statements involves

We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the directors; and
- the overall presentation of the financial statements.

We primarily focus our work in these areas by assessing the directors' judgments against available evidence, forming our own judgments, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Ranjan Sriskandan (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
7 September 2016

Experian Finance plc

Profit and loss account
for the year ended 31 March 2016

Continuing operations	Notes	**2016 US$m**	2015 US$m
Other operating income	10	**116**	123
Staff costs	11	**(50)**	(44)
Depreciation and other amounts written off tangible and intangible fixed assets	18	**(13)**	(12)
Other operating charges		**(54)**	(64)
Operating (loss)/profit	12	**(1)**	3
Income from shares in group undertakings	15	**-**	129
Interest receivable and similar income – group undertakings		**118**	89
Interest payable and similar charges – group undertakings		**(210)**	(57)
Other interest payable and similar charges	16	**(89)**	(88)
(Loss)/profit on ordinary activities before tax		**(182)**	76
Tax on (loss)/profit on ordinary activities	17	**(1)**	(3)
(Loss)/profit for the financial year		**(183)**	73

Statement of comprehensive income
for the year ended 31 March 2016

	Notes	**2016 US$m**	2015 US$m
(Loss)/profit for the financial year		**(183)**	73
Other comprehensive income			
Remeasurement of retirement benefit assets and obligations	31(b)	**(1)**	(3)
Movement on deferred tax relating to remeasurement of retirement benefit assets and obligations	27	**-**	1
Items that will not be reclassified to profit or loss		**(1)**	(2)
Other comprehensive income for the financial year		**(1)**	(2)
Total comprehensive income for the financial year		**(184)**	71

Experian Finance plc

Balance sheet
at 31 March 2016

	Notes	2016 US$m	2015 US$m
Fixed assets			
Intangible assets	18	**15**	24
Tangible assets	19	**1**	1
Investments	20	**18,771**	18,771
		18,787	18,796
Retirement benefit assets	31(b)(i)	**3**	6
Current assets			
Debtors – amounts due within one year	21(a)	**7,369**	4,668
Debtors – amounts due after more than one year	21(a)	**785**	802
		8,154	5,470
Cash at bank and in hand		**1**	-
Current assets		**8,155**	5,470
Current liabilities			
Creditors – amounts due within one year	22(a)	**(18,055)**	(15,119)
Net current liabilities		**(9,900)**	(9,649)
Total assets less current liabilities		**8,890**	9,153
Creditors – amounts due after more than one year	22(a)	**(3,184)**	(3,267)
Retirement benefit obligations	31(b)(i)	**(35)**	(37)
Net assets		**5,671**	5,849
Equity			
Called up share capital	28	**507**	507
Share premium account	29	**99**	99
Profit and loss account	29	**5,065**	5,243
Total shareholders' funds		**5,671**	5,849

The financial statements on pages 8 to 42 were approved by the board on 6 September 2016 and were signed on its behalf by:

M E Pepper
Director

Experian Finance plc

Statement of changes in equity for the year ended 31 March 2016

	Called up share capital (Note 28) US$m	Share premium account (Note 29) US$m	Translation reserve (Note 29) US$m	Profit and loss account (Note 29) US$m	Total US$m
At 1 April 2015					
As previously reported	507	99	1,018	4,222	**5,846**
Effect of adoption of FRS 101 (Note 4)	-	-	(1,018)	1,021	**3**
At 1 April 2015 – for FRS 101	507	99	-	5,243	**5,849**
Loss for the financial year	-	-	-	(183)	**(183)**
Other comprehensive income for the financial year	-	-	-	(1)	**(1)**
Total comprehensive income for the financial year	-	-	-	(184)	**(184)**
Transactions with owners:					
Credit in respect of cost of share incentive plans	-	-	-	7	**7**
Other movements in respect of share incentive plans	-	-	-	(1)	**(1)**
Transactions with owners	-	-	-	6	**6**
At 31 March 2016	**507**	**99**	-	**5,065**	**5,671**

	Called up share capital (Note 28) US$m	Share premium account (Note 29) US$m	Translation reserve (Note 29) US$m	Profit and loss account (Note 29) US$m	Total US$m
At 1 April 2014					
As previously reported	507	99	1,018	4,150	5,774
Effect of adoption of FRS 101 (Note 4)	-	-	(1,018)	1,016	(2)
At 1 April 2014 – for FRS 101	507	99	-	5,166	5,772
Profit for the financial year	-	-	-	73	73
Other comprehensive income for the financial year	-	-	-	(2)	(2)
Total comprehensive income for the financial year	-	-	-	71	71
Transactions with owners:					
Credit in respect of cost of share incentive plans	-	-	-	7	7
Other movements in respect of share incentive plans	-	-	-	(1)	(1)
Transactions with owners	-	-	-	6	6
At 31 March 2015	**507**	**99**	-	**5,243**	**5,849**

Experian Finance plc

Notes to the financial statements for the year ended 31 March 2016

1. Corporate information

The Company is a private company, incorporated and domiciled in England and Wales. Its registered office is at The Sir John Peace Building, Experian Way, NG2 Business Park, Nottingham, NG80 1ZZ and its registered number is 00146575. The Company's principal activity is to act as a holding and finance company and a provider of certain corporate services to other companies within the Experian Group.

2. Basis of preparation

These financial statements have been prepared on the going concern basis, under the historical cost convention (as modified for the revaluation of certain financial assets and liabilities including derivatives), and in accordance with the Companies Act 2006 and applicable UK accounting standards. The financial statements are presented in US dollars, the Company's functional currency.

Going concern

The Company has received letters of support from certain group undertakings, which confirm their intention to provide financial support for at least twelve months from the date of signing the financial statements. As a result of the continued financial support, the directors of the Company are satisfied that the going concern basis remains appropriate.

Group financial statements exemption

The Company is a wholly-owned subsidiary of Experian plc and is included in its group financial statements, which are publicly available. Therefore, the Company is exempt from the requirement to prepare group financial statements under the Companies Act 2006. Accordingly, the Company's financial statements are separate financial statements.

Transition to Financial Reporting Standard ('FRS') 101 'Reduced disclosure framework' ('FRS 101')

The Company's previous financial statements were prepared in accordance with applicable UK accounting standards. Following the requirements of FRS 100 'Application of financial reporting requirements' coming into effect, the directors have opted to prepare these financial statements in accordance with FRS 101. That intention was communicated to the Company's shareholders in September 2016.

FRS 101 allows certain exemptions from the requirements of International Financial Reporting Standards ('IFRS') to avoid the duplication of information provided in the Group financial statements and to provide more concise financial reporting in entity financial statements. The following exemptions have therefore been applied in the preparation of these financial statements:

- Paragraph 38 of IAS 1 'Presentation of financial statements', so exempting the Company from disclosing comparative information required by:
    - paragraph 79(a)(iv) of IAS 1 – shares outstanding at the beginning and at the end of that period;
    - paragraph 73(e) of IAS 16 'Property, plant and equipment' – reconciliations between the carrying amount at the beginning and end of that period; and
    - paragraph 118(e) of IAS 38 'Intangible assets' – reconciliations between the carrying amount at the beginning and end of that period
- The following paragraphs of IAS 1:
    - paragraphs 10(d) and 111, so exempting the Company from providing a cash flow statement and information;
    - paragraph 16, so exempting the Company from providing a statement of compliance with all IFRS;
    - paragraph 38A, so exempting the Company from the requirement for a minimum of two of each primary statement and the related notes;
    - paragraphs 38B to D, so exempting the Company from the requirement to provide additional comparative information;
    - paragraphs 40A to D, so exempting the Company from the requirement to provide a third statement of financial position.

2. Basis of preparation (continued)

- IAS 7 'Statement of cash flows'.
- Paragraphs 30 and 31 of IAS 8 'Accounting policies, changes in accounting estimates and errors', so exempting the Company from disclosing information where it has not applied a new IFRS which has been issued but is not yet effective.
- Paragraph 17 of IAS 24 'Related party disclosures', so exempting the Company from disclosing details of key management compensation.
- The requirements in IAS 24 'Related party disclosures' to disclose related party transactions with wholly-owned members of the Group.

The use of critical accounting estimates and management judgment is required in applying the accounting policies. Areas involving a higher degree of judgment or complexity, or where assumptions and estimates are significant to the Company financial statements, are highlighted in note 6.

3. FRS 101 transitional arrangements

As it has not previously presented financial statements under FRS 101, the Company is required under FRS 100 and FRS 101 to apply the transitional arrangements set out in IFRS 1 'First-time adoption of International Financial Reporting Standards' in its financial statements for the year ended 31 March 2016. The key transitional arrangements are:

- an explanation of how the transition affected the Company's reported financial position and financial performance;
- a reconciliation of the equity reported at 1 April 2014 and 31 March 2015; and
- a reconciliation of the profit and loss and other recognised gains and losses reported to the total comprehensive income reported under FRS 101 for the year ended 31 March 2015.

The Company has measured its assets and liabilities at its own date of transition rather than the earlier date applicable for the group financial statements of Experian plc and the effect of the transition is detailed in note 4. In the opinion of the directors, the Company is a financial institution as defined by FRS 101.

4. FRS 101 transitional effects

Explanation of how the transition affected the Company's reported financial position and financial performance

Accounting for post-retirement benefit costs and defined benefit plans

IAS 19 'Employee benefits' requires the use of the discount rate to determine both the interest income on retirement benefit assets and the interest expense on retirement benefit obligations. The resulting net interest is reported within interest income or expense as appropriate. Pension plan administration costs are required to be reported within operating profit or loss rather than as a deduction from the return on retirement benefit assets. The adoption of IAS 19 has therefore reduced profit before tax as reported for the year ended 31 March 2015 by US$1m and reduced the remeasurement losses reported in the statement of comprehensive income for the same period by the same amount.

Retirement benefit assets and obligations are no longer required to be reported net of deferred tax in the balance sheet.

Except as outlined above, there is no effect on the balance sheet at 31 March 2015 nor on the statement of changes in equity for the year then ended.

Accounting for the valuation of financial assets and liabilities

The valuation of derivative financial liabilities in accordance with IFRS 13 has resulted in a reduction in equity at 1 April 2014 of US$2m, an increase in profit for the financial year ended 31 March 2015 of US$5m and an increase in equity of US$3m at that date.

Classification of amounts owed by/(to) group undertakings

The application of the requirements of IAS 1, and their interaction with the Companies Act 2006, has resulted in:

- a reduction of US$3,261m in the amounts owed by group undertakings and reported as due after more than one year at 31 March 2015, with an increase of US$3,261m in the amounts owed by group undertakings and reported as due within one year at that date.
- a reduction of US$10,065m in the amounts owed to group undertakings and reported as due after more than one year at 31 March 2015, with an increase of US$10,065m in the amounts owed to group undertakings and reported as due within one year at that date.

There is no effect on reported equity at 31 March 2015 or total comprehensive income for the year then ended.

Notes to the financial statements for the year ended 31 March 2016 (continued)

4. FRS 101 transitional effects (continued)

Translation reserve

As permitted by IFRS 1, the translation reserve of US$1,018m has been reclassified to the profit and loss account at 1 April 2014. This reserve was originally recognised on the change in the Company's functional currency from sterling to the US dollar, with effect from 1 April 2009. There is no effect on reported equity at 31 March 2015 or total comprehensive income for the year then ended.

Reconciliation of equity

An analysis of the effect of these changes in accounting policies on equity at 31 March 2015 and 1 April 2014 is set out below. The effects of these items have been taken account of in the statement of changes in equity on page 10, which shows the Company's equity at 31 March 2015 and 1 April 2014, as originally presented and under FRS 101.

At 31 March 2015	Called up share capital US$m	Share premium account US$m	Translation reserve US$m	Profit and loss account US$m	**Total US$m**
Effect of change in accounting policies:					
Effect of adoption of IFRS 13 on total comprehensive income	-	-	-	3	**3**
Reclassification of translation reserve	-	-	(1,018)	1,018	-
Effect of change in accounting policies at 31 March 2015	-	-	(1,018)	1,021	**3**

At 1 April 2014	Called up share capital US$m	Share premium account US$m	Translation reserve US$m	Profit and loss account US$m	**Total US$m**
Effect of change in accounting policies:					
Effect of adoption of IFRS 13 on total comprehensive income	-	-	-	(2)	**(2)**
Reclassification of translation reserve	-	-	(1,018)	1,018	-
Effect of change in accounting policies at 1 April 2014	-	-	(1,018)	1,016	**(2)**

Reconciliation of the profit and loss and other recognised gains and losses reported to the total comprehensive income reported under FRS 101 for the year ended 31 March 2015

	Profit for the financial year US$m	Other comprehensive income US$m	**Total comprehensive income US$m**
As originally reported	69	(3)	**66**
Effect of adoption of IAS 19 – on operating profit	(2)	-	**(2)**
Effect of adoption of IAS 19 – on interest receivable and payable	1	-	**1**
Effect of adoption of IAS 19 – on other comprehensive income	-	1	**1**
Effect of adoption of IFRS 13 – on interest payable and similar charges	5	-	**5**
As reported under FRS 101	73	(2)	**71**

5. Significant accounting policies

The significant accounting policies are set out below and they have been applied consistently to all financial years presented.

Intangible assets – computer software

Such intangible assets are held at cost less accumulated amortisation and any impairment in value. Amortisation is charged on a straight line basis over three to seven years on the basis of an assessment of the anticipated economic life of such assets.

Costs are capitalised as intangible assets provided that a number of criteria are satisfied. These include the technical feasibility of completing the asset so that it is available for use or sale, the availability of adequate resources to complete the development and to use or sell the asset and how the asset will generate probable future economic benefit.

Other costs associated with developing or maintaining computer software programmes are recognised as an expense as incurred.

Tangible assets – plant and equipment

Plant and equipment is held at cost less accumulated depreciation and any impairment in value. Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use.

Plant and equipment is depreciated by equal annual instalments to its residual value over two to ten years according to the estimated life of the asset.

Investments in group undertakings

Investments in group undertakings are stated at cost less any provisions for impairment. Trade accounts receivable from subsidiaries in the normal course of business and other amounts advanced on commercial terms and conditions are included in debtors.

Impairment of fixed assets

The Company follows IAS 36 'Impairment of assets' and fixed assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

Borrowings and borrowing costs

Borrowings are recognised initially at fair value, net of any transaction costs incurred. Borrowings are subsequently stated at amortised cost except where they are hedged by an effective fair value hedge, in which case the carrying value is adjusted to reflect the fair value movements associated with the hedged risk. The fair value movements are recognised in the profit and loss account as financing fair value gains and losses within other interest payable and similar charges.

Borrowings are classified as due after more than one year to the extent that the Company has an unconditional right to defer settlement of the liability for at least one year after the balance sheet date.

Incremental transaction costs which are directly attributable to the issue of debt are capitalised and amortised over the expected life of the borrowing using the effective interest rate method. All other borrowing costs are expensed in the year in which they are incurred.

Foreign currency translation

Transactions in foreign currencies are recorded at the rates in effect at the transaction date. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. All differences are taken to the profit and loss account in the financial year in which they arise.

Fair value estimation

The Company follows IFRS 13 'Fair value measurement'. The fair values of derivative financial instruments and other financial assets and liabilities are determined by using market data and established estimation techniques such as discounted cash flow and option valuation models. The fair value of foreign exchange contracts is based on a comparison of the contractual and year-end exchange rates. The fair values of other derivative financial instruments are estimated by discounting the future cash flows to net present values, using appropriate market rates prevailing at the year-end.

5. Significant accounting policies (continued)

Derivative financial instruments and hedging activities

The Company uses derivative financial instruments to manage its exposures to fluctuations in foreign exchange rates, interest rates and certain obligations relating to share incentive plans, including social security obligations. Instruments used include interest rate swaps, cross currency swaps, foreign exchange contracts and equity swaps. These are recognised as assets or liabilities as appropriate and are classified as due after more than one year unless they mature within one year of the balance sheet date.

Derivatives are initially recognised at their fair value at the date a contract is entered into, and are subsequently remeasured at their fair value. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument and, if so, the nature of the hedge relationship. The Company's hedging derivatives are designated as fair value hedges, being hedges of the fair value of recognised assets or liabilities or a firm commitment.

Amounts payable or receivable in respect of interest rate swaps are taken to other interest payable over the period of the contracts, and are reported as interest differentials on derivatives together with such differentials reflected in foreign exchange contracts. Amounts payable or receivable in respect of equity swaps are taken to staff costs except for items of a financing nature which are included within other interest payable and similar charges.

Hedging derivatives

The Company designates certain derivatives as fair value hedges, which are hedges of the fair value of a recognised asset or liability or a firm commitment. The Company does not currently enter into cash flow or net investment hedges.

The Company documents the relationship between hedging instruments and hedged items at the hedge inception, its risk management objective and strategy for undertaking hedge transactions. The Company also documents its assessment of whether the derivatives used in hedging transactions are highly effective in offsetting changes in fair values of hedged items. This effectiveness testing is performed at every reporting date throughout the life of the hedge to confirm that the hedge remains, and will continue to remain, highly effective. Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated or exercised or no longer qualifies for hedge accounting.

Changes in the fair value of derivatives that are designated and qualify as fair value hedging instruments are recorded in the profit and loss account, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk. The ineffective portion of a fair value hedge is recognised in other interest payable and similar charges in the profit and loss account.

Non-hedging derivatives

Changes in the fair value of any derivative instrument that does not qualify for hedge accounting are recognised immediately in the profit and loss account. Costs and income amounts in respect of derivatives entered into in connection with social security obligations on employee share incentive plans, other than those of a financing nature, are charged or credited within staff costs. Costs and income of a financing nature in respect of such derivatives are recognised in other interest payable and similar charges with changes in the fair value of such derivatives charged or credited within financing fair value gains and losses.

Tax

Current tax is calculated on the basis of the tax laws substantively enacted at the balance sheet date in the UK.

Deferred tax is provided in respect of temporary differences that have originated but not reversed at the balance sheet date and is determined using the tax rates that are expected to apply when the temporary differences reverse, based on tax rates and laws that have been substantively enacted by the balance sheet date. Deferred tax assets are recognised only to the extent that they are expected to be recoverable. Deferred tax assets and liabilities recognised have not been discounted.

5. Significant accounting policies (continued)

Other operating income

Other operating income principally comprises income for management services rendered to other companies within the Experian Group and is recognised on an accruals basis by reference to the amounts invoiced to group undertakings in respect of such services.

Employee benefits

Pension and other post-retirement benefits

Defined benefit pension arrangements – funded plans

The retirement benefit assets and obligations recognised in the balance sheet in respect of funded plans comprise the fair value of plan assets of funded plans less the present value of the related defined benefit obligation at the balance sheet date. The defined benefit obligation is calculated annually by independent qualified actuaries using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using market yields on high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity consistent with the estimated average term of the related pension liability.

Remeasurements arising from experience adjustments, and changes in actuarial assumptions, are recognised immediately in other comprehensive income.

The pension cost recognised in the profit and loss account comprises the cost of benefits accrued plus net interest on the defined benefit obligation and the plan assets over the year. Service costs and financing income and expenses are recognised separately in the profit and loss account. Administration and asset management expenses are recognised within staff costs.

Defined benefit pension arrangements – unfunded plans

Unfunded pension obligations are determined and accounted for in accordance with the principles used in respect of the funded arrangements.

Defined contribution pension arrangements

The assets of defined contribution plans are held separately in independently administered funds. The pension cost recognised in the profit and loss account represents the contributions payable by the Company to these funds in respect of the year.

Share incentive plans

The Experian Group has a number of equity settled, share-based employee incentive plans in which the Company's employees participate. The Company treats its share-based payment arrangements as equity settled as Experian plc satisfies the awards in shares. The fair value of awards and options granted is recognised as an expense in the profit and loss account on a straight line basis over the vesting period. Fair value is measured at the date of grant using whichever of the Black-Scholes model, Monte Carlo model and closing market price is most appropriate. The Company takes into account the best estimate of the number of awards and options expected to vest and revises such estimates at each balance sheet date. Non-market performance conditions are included in the vesting estimates. Market-based performance conditions are included in the fair value measurement but are not revised for actual performance. Fair value takes account of dividend equivalents paid at vesting and cash flows in respect of such items are accordingly separately recognised directly in equity.

Other operating charges

Other operating charges principally comprise charges and recoveries in respect of corporate costs and are recognised on an accruals basis.

6. Critical accounting estimates, assumptions and judgments

(a) Critical accounting estimates and assumptions

In preparing the financial statements, management is required to make estimates and assumptions that affect the reported amount of income, costs and charges, assets and liabilities and the disclosure of contingent liabilities. The resulting accounting estimates, which are based on management's best judgment at the date of the financial statements, will, by definition, seldom equal the related actual results.

The most significant of these estimates and assumptions for the Company that has a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are summarised below.

Carrying value of investments in subsidiary undertakings

This is tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable and stated at cost less any provisions for impairment. Such events or changes in circumstances include deterioration in trading performance or the payment of a dividend.

Tax

The Company has a number of open tax returns with UK tax authorities with whom it is in active dialogue. Liabilities relating to these open and judgmental matters are based on an assessment as to whether additional taxes will be due, after taking into account external advice where appropriate. Significant judgment is required in determining the related assets or provisions, as there are transactions in the ordinary course of business and calculations for which the ultimate tax determination is uncertain. The Company recognises liabilities based on estimates of whether additional tax will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, the differences will affect the results for the year and the respective current tax and deferred tax assets or provisions in the year in which such determination is made. The Company recognises deferred tax assets based on forecasts of future profits against which those assets may be utilised.

Fair value of derivatives and other financial instruments

The Company uses valuation techniques to determine the fair value of derivatives and other financial instruments that are not traded in an active market. Management uses its judgment to select a variety of methods and makes assumptions, or uses observable market-based inputs, that are mainly based on market conditions at each balance sheet date.

(b) Critical judgments

In applying the Company's accounting policies, management may make judgments that have a significant effect on the amounts recognised in the Company financial statements. These judgments may include the classification of transactions between the Company profit and loss account and the Company balance sheet. There are no such judgments in the case of these financial statements.

7. Financial risk management

(a) Financial risk factors

The Company's activities expose it to a variety of financial risks. These are market risk, including foreign exchange risk and interest rate risk, credit risk, and liquidity risk. The Company's financial risk management focuses on the unpredictability of financial markets and seeks to minimise potentially adverse effects on the Company's and the Experian Group's financial performance. The Company seeks to reduce its exposure to financial risks and uses derivative financial instruments to hedge certain risk exposures. The Company also ensures surplus funds are managed and controlled in a prudent manner which will protect capital sums invested and ensure adequate short-term liquidity, whilst maximising returns.

Market risk

Foreign exchange risk

The Experian Group is exposed to foreign exchange risk from future commercial transactions, recognised assets and liabilities and investments in, and loans between, undertakings with different functional currencies. The Experian Group manages such risk, primarily within the Company and other undertakings whose functional currencies are US dollars, by borrowing in the relevant currencies and using forward foreign exchange contracts. The principal transaction exposures are to sterling and the euro.

Interest rate risk

The Company's interest rate risk arises principally from its net debt and the variable rates. Net debt is calculated as total debt less cash at bank and in hand and other highly liquid bank deposits with original maturities greater than three months. Total debt includes loan and borrowings (and the fair value of derivatives hedging loans and borrowings) and overdrafts. Accrued interest is excluded from net debt.

The Experian Group has a policy of normally maintaining between 50% and 100% of net funding at rates that are fixed for more than six months. Net funding for this purpose is the average expected total funding less freely available unrestricted cash for the next six months. The Company manages its interest rate exposure by using fixed and floating rate borrowings and interest rate swaps and cross currency interest rate swaps to adjust the balance between the two. The Company also mixes the duration of its borrowings to smooth the impact of interest rate fluctuations.

Credit risk

In the case of derivative financial instruments and deposits, the Company is exposed to credit risk from the non-performance of contractual agreements by the contracted party.

This credit risk for derivative financial instruments and deposits is minimised by a policy under which the Company only enters into such contracts with banks and financial institutions with strong credit ratings, within limits set for each organisation. Dealing and deposit activity is closely controlled and counterparty positions are monitored regularly. The general credit risk on derivative financial instruments utilised by the Company is therefore not considered to be significant. The Company does not anticipate that any losses will arise from non-performance by these counterparties.

The Company's maximum exposure to credit risk at the balance sheet dates is the carrying value of derivative financial instruments and deposits as reported within debtors and cash at bank and in hand in the balance sheet. No collateral is held as security in respect of such assets.

Liquidity risk

The Company maintains long-term committed bank borrowing facilities to ensure it has sufficient funds available for operations and planned expansions. The Company monitors rolling cash flow forecasts of projected cash flows to ensure that it will have adequate committed facilities available. Details of the Company's undrawn committed facilities are given in note 23(c) and these are for general corporate purposes, including the financing of acquisitions.

Notes to the financial statements for the year ended 31 March 2016 (continued)

7. Financial risk management (continued)

(b) Capital risk management

The management of the Company's capital is determined within the overall framework for the Experian Group, as set out on page 129 of the Experian annual report.

The Company defines its capital as total shareholders' funds and there are no externally imposed requirements in respect of the capital of the Company. Both this definition and the absence of externally imposed requirements apply to both years under review.

The Experian Group's definition and management of capital focuses on capital employed and its objectives in managing capital are to safeguard its ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure and cost of capital. To maintain or adjust the capital structure, the Experian Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue or purchase shares or sell assets to reduce net debt.

8. Segmental information

The Company operates in the UK to provide corporate services within the Experian Group. This constitutes one class of business and accordingly no additional segmental information is provided within these financial statements.

9. Foreign currency

There are no material foreign exchange exposures other than those in respect of intra-group positions, as set out in note 21(d) and 22(c). Foreign exchange exposures in respect of such positions are generally hedged in accordance with the policy set out in note 7(a). Accordingly, on the basis of the profile of foreign exchange exposures and an assessment of reasonably possible changes in such exposures, there are no material sensitivities to foreign exchange risk at the balance sheet dates. In making these assessments, actual data on movements in the principal currencies over the most recent three-year period has been considered together with exposures at the balance sheet dates. This methodology has been applied consistently.

10. Other operating income

Other operating income of US$116m (2015: US$123m) comprises amounts invoiced for management services provided to fellow group undertakings.

11. Staff costs

	Notes	**2016 US$m**	2015 US$m
Wages and salaries		**31**	25
Social security costs		**5**	3
Cost of employee share incentive plans	30(a)	**7**	7
Other pension costs – principally in respect of defined benefit plans	31	**4**	4
Employee benefit costs		**47**	39
Other staff costs		**3**	5
Total staff costs		**50**	44

Other staff costs include costs in respect of external contractors, outsourcing costs and costs relating to the recruitment, development and training of employees.

Notes to the financial statements for the year ended 31 March 2016 (continued)

12. Operating (loss)/profit

Operating (loss)/profit is stated after charging:

	Notes	2016 US$m	2015 US$m
Staff costs	11	**50**	44
Depreciation and other amounts written off tangible and intangible fixed assets	18	**13**	12

Fees payable to the Company's auditors comprise:

	2016 US$m	2015 US$m
Audit of the Company financial statements	**0.6**	0.6
Audit fees borne by the Company in connection with the audit of the financial statements of other group undertakings	**0.1**	0.1
Tax compliance services	**0.4**	0.3
Tax advisory services	**2.0**	2.3
Audit-related assurance services	**0.4**	0.4
Other services	**-**	0.3
Total fees payable to the Company's auditors and their associates	**3.5**	4.0

13. Directors' emoluments

	2016 US$m	2015 US$m
Aggregate emoluments	**10.5**	6.4
Aggregate value of Company contributions to defined contribution pension arrangements	**0.7**	0.4

Retirement benefits are accruing to four directors holding office at the end of the year (2015: four directors) under defined benefit pension arrangements. Retirement benefits are accruing to two directors holding office at the end of the year (2015: three directors) under defined contribution pension arrangements.

A number of former directors receive pensions from the Company under unfunded arrangements and such pensions paid in the year totalled US$1.3m (2015: US$0.9m).

During the year ended 31 March 2016, two directors (2015: four directors) exercised options over a total of 19,661 ordinary shares of Experian plc (2015: 286,335 shares), realising gains of US$0.2m (2015: US$1.6m). During the year ended 31 March 2016, awards were released to seven (2015: nine) directors in respect of a total of 574,952 ordinary shares of Experian plc under long-term incentive plans (2015: 1,581,491 shares). These awards were satisfied at vesting by the release of ordinary shares in Experian plc and payments in the form of dividend equivalents. Aggregate emoluments do not include shares receivable under long-term incentive arrangements.

Two of the Company's directors, B J Cassin and L M Pitchford, are also directors of Experian plc and their emoluments reported within these financial statements represent an allocation in respect of their services provided to the Company.

Highest paid director – B J Cassin

	2016 US$m	2015 US$m
Total amount of emoluments and amounts (excluding shares) receivable under long-term incentive plans	**4.0**	2.1
Defined benefit pension arrangement – accrued pension at year end	**-**	-
Defined contribution pension arrangement – Company contribution	**0.3**	0.1

As Mr Cassin is also a director of Experian plc, his emoluments reflect services to the Company and other group undertakings. Further details of his remuneration are given in the financial statements of Experian plc. In the year ended 31 March 2016, awards were released to Mr Cassin in respect of 91,816 (2015: 18,233) ordinary shares of Experian plc under long-term incentive plans. Mr Cassin holds no options in respect of ordinary shares in Experian plc.

Experian Finance plc

Notes to the financial statements for the year ended 31 March 2016 (continued)

14. Employee information

The Company employed a monthly average of 253 (2015: 266) employees, including directors, during the year. All the Company's employees were employed in administrative roles.

15. Income from shares in group undertakings

During the year ended 31 March 2015, a subsidiary undertaking paid a dividend of US$129m to the Company.

16. Other interest payable and similar charges

(a) Summary

	2016 US$m	2015 US$m
Interest payable:		
Bank loans, commercial paper and overdrafts	**9**	9
Eurobonds and notes	**93**	100
Commitment and facility utilisation fees	**5**	7
Interest differentials on derivatives	**(18)**	(20)
Interest expense on opening pension plan liabilities (Note 31(b)(ii))	**-**	1
Interest payable	**89**	97
Financing fair value losses/(gains):		
Fair value (gains)/losses on borrowings – attributable to interest rate risk	**(16)**	43
Fair value losses/(gains) on borrowings – attributable to currency risk	**22**	(261)
Gains on interest rate swaps – fair value hedges	**(2)**	(18)
Fair value (gains)/losses on cross currency swaps – fair value hedges	**(10)**	235
Fair value losses on non-hedging derivatives	**2**	1
Foreign exchange losses/(gains) on financing activities	**4**	(9)
Financing fair value losses/(gains)	**-**	(9)
Other interest payable and similar charges	**89**	88

(b) Interest rate risk

The following table shows the sensitivity to interest rate risk on the basis of the profile of borrowings and intra-group balances at the balance sheet dates and an assessment of reasonably possible changes in the principal interest rates, with all other variables held constant. In making this assessment, actual movements in relevant interest rates over the most recent three-year period have been considered and a consistent methodology applied. An indication of the primary cause of the reported sensitivity of profit for the financial year is included.

(Loss)/gain	**2016 US$m**	2015 US$m
Effect of an increase of 0.1% (2015: 0.1%) on US dollar-denominated borrowings:		
Due to fair value gains on interest rate swaps offset by higher interest on floating rate net borrowings	**3**	4
Effect of an increase of 0.1% (2015: 0.1%) on US dollar-denominated intra-group balances:		
Due to higher interest on net liabilities	**(10)**	(10)
Effect of an increase of 0.1% (2015: 0.1%) on sterling-denominated borrowings:		
Due to the revaluation of borrowings and related derivatives	**(1)**	(1)
Effect of an increase of 0.1% (2015: 0.1%) on sterling-denominated intra-group balances:		
Due to higher interest on net assets	**-**	1
Effect of an increase of 0.2% (2015: 0.4%) on euro-denominated borrowings:		
Due to fair value gains on interest rate swaps offset by higher interest on floating rate borrowings	**-**	(1)
Effect of an increase of 0.2% (2015: 0.4%) on euro-denominated intra-group balances:		
Interest on net assets/liabilities	**-**	-

17. Tax on (loss)/profit on ordinary activities

(a) Analysis of charge for the year

	2016 US$m	2015 US$m
Current tax:		
Corporation tax on result for the year	2	4
Adjustments in respect of prior years	-	-
Total current tax charge for the year	2	4
Deferred tax:		
Origination and reversal of timing differences	-	1
Adjustments in respect of prior years	(1)	(2)
Total deferred tax credit for the year (Note 27)	(1)	(1)
Total tax charge for the year	1	3

(b) Reconciliation of the total tax charge for the year

The tax charge for the year is at a rate which is higher (2015: lower) than the standard rate of UK corporation tax of 20% (2015: 21%). The reconciliations for both years are set out below.

	2016 US$m	2015 US$m
(Loss)/profit on ordinary activities before tax	(182)	76
Tax on (loss)/profit on ordinary activities calculated at the standard rate of UK corporation tax	(36)	16
Effects of:		
Change in tax rate	1	-
Income from fixed asset investments not taxable	-	(27)
Effect of other items not taxable	(2)	(28)
Tax losses surrendered to fellow subsidiary undertakings without consideration	37	40
Overseas tax	2	4
Adjustments in respect of prior years	(1)	(2)
Tax charge for the year	1	3

(c) Factors that affect the tax charge for the year

The directors have considered the tax effect of UK to UK transfer pricing legislation on interest free intra-group balances and are satisfied that any associated tax charge or credit arising will be offset by compensating adjustments from other group companies such that no additional tax asset or liability should arise. Therefore no entries in respect of these items have been made in these financial statements as the net impact on both the tax charge or credit and net assets or liabilities is nil in the current and prior year.

In the normal course of business, the Company has a number of open tax returns with UK tax authorities with whom it is in active dialogue. Liabilities relating to these open and judgmental matters are based on an assessment as to whether additional taxes will be due, after taking into account external advice where appropriate.

(d) Factors affecting the future tax charge

In the foreseeable future, the Company's tax balances will continue to be influenced by the nature of its income and expenditure and arrangements with fellow group undertakings for the surrender of UK tax profits and losses. Furthermore the Company's tax balances could be affected by changes in UK tax law.

The main rate of UK corporation tax was reduced to 20% from 1 April 2015. Further reductions will reduce the rate to 19% from 1 April 2017 and 18% from 1 April 2020. These further reductions had been substantively enacted at 31 March 2016 and their effects are recognised in these financial statements. A further reduction will reduce the rate to 17% from 1 April 2020 but, as it had not been substantively enacted by 31 March 2016, its effect is not recognised.

(e) Deferred tax

As indicated in note 27, the Company has recognised a deferred tax asset of US$11m and this has been principally recognised using a rate of 18%.

18. Intangible assets

	Computer software US$m
Cost	
At 1 April 2015	69
Additions	4
At 31 March 2016	**73**
Accumulated amortisation and impairment losses	
At 1 April 2015	45
Charge for the year	13
At 31 March 2016	**58**
Net book amount at 31 March 2015	24
Net book amount at 31 March 2016	**15**

19. Tangible assets

	Plant and equipment US$m
Cost	
At 1 April 2015 and 31 March 2016	2
Accumulated depreciation	
At 1 April 2015 and 31 March 2016	1
Net book amount at 31 March 2015 and 31 March 2016	**1**

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Notes to the financial statements for the year ended 31 March 2016 (continued)

20. Investments

	Shares in group undertakings	
	2016	2015
	US$m	US$m
Cost		
At 1 April and 31 March	**25,091**	25,091
Provision for impairment		
At 1 April and 31 March	**6,320**	6,320
Net book amount at 31 March	**18,771**	18,771

The principal subsidiary undertakings of the Company at 31 March 2016 are set out in the table below.

The Company directly holds the whole of the issued ordinary shares of GUS 2000 Finance Limited and Motorfile Limited. The Company holds indirect interests in the whole of the issued equity shares of the other undertakings apart from Serasa S.A., in which its interest is 99.7%, and Experian Colombia S.A. in which its interest is 99.9%. There has been no change in these interests during the year.

The directors believe that the carrying value of its investments in these undertakings is supported by their underlying net assets and/or cash flows generated by ongoing operations.

	Country of incorporation	Nature of business
Experian Holdings Limited	England and Wales	Holding company
Experian Limited	England and Wales	Information services
Experian Technology Limited	England and Wales	Development of intellectual property
GUS 2000 Finance Limited	England and Wales	Finance company
Motorfile Limited	England and Wales	Information services
Serasa S.A.	Brazil	Information services
Experian Colombia S.A.	Colombia	Information services
ConsumerInfo.com Inc.	USA	Consumer services
Experian Health, Inc. (formerly Passport Health Communications, Inc.)	USA	Information services
Experian Holdings, Inc.	USA	Holding company
Experian Information Solutions Inc.	USA	Information services
Experian Marketing Solutions Inc.	USA	Marketing services
Experian Services Corporation	USA	Administrative services

Other subsidiary undertakings of the Company are detailed in note 36(a). Taken together with the companies detailed in this note, this information comprises a full listing of the Company's subsidiary undertakings at 31 March 2016.

21. Debtors

(a) Analysis by type and maturity

	Due within one year 2016 US$m	**Due after more than one year 2016 US$m**	Due within one year 2015 US$m	Due after more than one year 2015 US$m
Amounts owed by group undertakings (Note 21(d))	**7,329**	**718**	4,630	737
Tax recoverable	**26**	**-**	26	-
Deferred tax asset (Note 27)	**-**	**11**	-	10
Other financial assets (Note 24(a))	**5**	**53**	7	51
Prepayments and accrued income	**9**	**3**	5	4
	7,369	**785**	4,668	802

The Company is responsible for the settlement of UK corporation tax liabilities on behalf of fellow subsidiary undertakings of Experian plc and the tax recoverable balance accordingly includes amounts recoverable on behalf of such companies.

At the balance sheet dates, there are no material amounts recoverable in respect of the Company's defined contribution pension arrangements.

(b) Analysis by nature

	2016 US$m	2015 US$m
Financial instruments	**8,105**	5,425
Items other than financial instruments:		
Tax assets	**37**	36
Prepayments and accrued income	**12**	9
Items other than financial instruments	**49**	45
	8,154	5,470

(c) Analysis of financial instruments by category

	2016 US$m	2015 US$m
Loans and receivables – amounts owed by group undertakings (Note 21(d))	**8,047**	5,367
Derivatives used for hedging (Note 24(a))	**21**	23
Assets at fair value through profit and loss (Note 24(a))	**37**	35
	8,105	5,425

(d) Analysis of amounts owed by group undertakings

	2016 Amounts due US$m	**2016 Interest rates %**	2015 Amounts due US$m	2015 Interest rates %
On which interest is earned – by currency:				
US dollar	**7,059**	**1.3 to 3.9**	4,620	1.7 to 3.1
Sterling	**770**	**1.6 to 2.1**	584	2.0
Euro	**87**	**0.8 to 1.1**	74	1.5 to 1.7
Other currencies	**126**	**0.3 to 16.0**	85	0.6 to 12.6
On which interest is earned	**8,042**	**n/a**	5,363	n/a
Interest free	**5**	**n/a**	4	n/a
Amounts owed by group undertakings	**8,047**	**n/a**	5,367	n/a

All amounts owed by group undertakings are unsecured and include amounts on which interest is earned with interest rates determined on the basis of the currency and term of such amounts. The currencies and terms of the amounts which are interest earning reflect the financing requirements of Experian undertakings and the countries in which they operate. There is no additional information required to be disclosed in respect of the credit quality of amounts owed by group undertakings as no amount is past due and no amount is impaired.

Experian Finance plc

Notes to the financial statements for the year ended 31 March 2016 (continued)

22. Creditors

(a) Analysis by type and maturity

	Due within one year 2016 US$m	**Due after more than one year 2016 US$m**	Due within one year 2015 US$m	Due after more than one year 2015 US$m
Borrowings:				
Bonds	**-**	**2,467**	-	2,473
Bank loans	**-**	**600**	100	669
Commercial paper	**44**	**-**	40	-
Bank overdrafts	**5**	**-**	2	-
Borrowings (Note 23(b))	**49**	**3,067**	142	3,142
Amounts owed to group undertakings (Note 22(c))	**17,953**	**-**	14,929	-
Tax and social security	**6**	**-**	3	-
Other creditors	**5**	**-**	3	-
Accruals	**30**	**-**	28	-
Other financial liabilities (Note 24(a))	**12**	**117**	14	125
	18,055	**3,184**	15,119	3,267

None of the above amounts are secured. At the balance sheet dates, there are no material amounts payable in respect of the Company's defined contribution pension arrangements.

(b) Analysis by nature

	2016 US$m	2015 US$m
Financial instruments	**21,219**	18,375
Items other than financial instruments:		
Tax and social security	**6**	3
Amounts within accruals	**14**	8
Items other than financial instruments	**20**	11
	21,239	18,386

Contractual undiscounted future cash flows in respect of financial instruments are shown in note 26.

(c) Analysis of financial instruments by category

	2016 US$m	2015 US$m
Borrowings – at amortised cost (Note 23(a))	**3,116**	3,284
Amounts owed to group undertakings – at amortised cost (Note 22(d))	**17,953**	14,929
Derivatives used for hedging (Note 24(a))	**80**	93
Liabilities at fair value through profit and loss (Note 24(a))	**49**	46
Trade and other payables – at amortised cost	**21**	23
	21,219	18,375

Notes to the financial statements for the year ended 31 March 2016 (continued)

22. Creditors (continued)

(d) Analysis of amounts owed to group undertakings

	2016 Amounts owed US$m	2016 Interest rates %	2015 Amounts owed US$m	2015 Interest rates %
On which interest is borne – by currency:				
US dollar	**17,475**	**nil to 2.6**	14,807	nil to 1.7
Sterling	**347**	**0.3 to 0.5**	-	0.2 to 0.3
Euro	**68**	**nil**	76	nil
Other currencies	**60**	**nil to 11.5**	43	nil to 10.9
On which interest is borne	**17,950**	**n/a**	14,926	n/a
Interest free	**3**	**n/a**	3	n/a
Amounts owed to group undertakings	**17,953**	**n/a**	14,929	n/a

Amounts owed to group undertakings include amounts on which interest is borne with interest rates determined on the basis of the currency and term of such amounts. The currencies and terms of the amounts which are interest bearing reflect the financing requirements of Experian undertakings and the countries in which they operate.

23. Borrowings

(a) Analysis of borrowings

	Carrying amount		Fair value	
	2016 US$m	2015 US$m	2016 US$m	2015 US$m
US$600m 2.375% notes 2017 (redemption due in June 2017)	**603**	601	**601**	608
£400m 4.75% Euronotes 2018 (redemption due in November 2018)	**622**	647	**622**	657
€500m 4.75% Euronotes 2020 (redemption due in February 2020)	**646**	617	**660**	640
£400m 3.50% Euronotes 2021 (redemption due in October 2021)	**596**	608	**614**	635
Bank loans (including US$nil (2015: US$100m) due within one year)	**600**	769	**600**	669
Commercial paper – due within one year	**44**	40	**44**	40
Bank overdrafts – due within one year	**5**	2	**5**	2
	3,116	3,284	**3,146**	3,251

The effective interest rate for the four classes of bonds approximates to the coupon rate shown above. Rates on bank loans are generally at one month LIBOR plus an applicable margin. The effective interest rates on commercial paper are based on rates prevailing in that specific market. None of the above amounts are repayable by instalments.

(b) Analysis of maturity of borrowings

	2016 US$m	2015 US$m
Within one year or on demand (Note 22(a))	**49**	142
In more than one year:		
Between one and two years (including bank loans of US$500m (2015: US$669m))	**1,103**	669
Between two and five years (including bank loans of US$100m (2015: US$nil))	**1,368**	1,865
In more than five years	**596**	608
In more than one year (Note 22(a))	**3,067**	3,142
	3,116	3,284

Notes to the financial statements for the year ended 31 March 2016 (continued)

23. Borrowings (continued)

(c) Borrowing facilities

An analysis of the expiry of undrawn committed borrowing facilities is set out in the table below.

	2016 US$m	2015 US$m
Less than one year	-	60
Between two and three years	150	-
Between four and five three years	2,025	2,025
	2,175	2,085

The financial covenants in connection with the borrowing facilities generally provide that the underlying profitability of Experian must exceed three times net interest expense before financing fair value remeasurements. The Company has complied with these covenants throughout the year.

24. Other financial assets and liabilities

(a) Summary

Other financial assets – derivative financial instruments	Due within one year 2016 US$m	Due after more than one year 2016 US$m	Due within one year 2015 US$m	Due after more than one year 2015 US$m
Fair value hedge of borrowings (cross currency swaps)	-	-	-	5
Fair value hedge of borrowings (interest rate swaps)	-	21	-	18
Derivatives used for hedging	-	21	-	23
Non-hedging derivatives (equity swaps)	1	-	1	-
Non-hedging derivatives (foreign exchange contracts)	4	-	6	-
Non-hedging derivatives (interest rate swaps)	-	32	-	28
Assets at fair value through profit and loss	5	32	7	28
Total other financial assets	5	53	7	51

Other financial liabilities – derivative financial instruments	Due within one year 2016 US$m	Due after more than one year 2016 US$m	Due within one year 2015 US$m	Due after more than one year 2015 US$m
Fair value hedge of borrowings (cross currency swaps)	-	80	-	93
Fair value hedge of borrowings (interest rate swaps)	-	-	-	-
Derivatives used for hedging	-	80	-	93
Non-hedging derivatives (equity swaps)	-	-	-	-
Non-hedging derivatives (foreign exchange contracts)	10	-	11	-
Non-hedging derivatives (interest rate swaps)	2	37	3	32
Liabilities at fair value through profit and loss	12	37	14	32
Total other financial liabilities	12	117	14	125

Amounts recognised in the profit and loss account in connection with the Company's hedging instruments are disclosed in note 16(a).

The Company has entered into hedging derivatives in connection with currency and interest rate exposures on its bond finance. The Company uses equity swaps to manage certain obligations, including social security obligations, relating to share incentive plans. Other non-hedging derivatives are entered into in connection with other currency and interest rate exposures. Additional disclosures in respect of the derivative financial instruments of the Company are included within the group financial statements of Experian plc in the Experian annual report.

Notes to the financial statements for the year ended 31 March 2016 (continued)

24. Other financial assets and liabilities (continued)

(b) Fair value and notional principal amounts

	2016			
	Assets		Liabilities	
	Fair value	Notional	Fair value	Notional
	US$m	US$m	US$m	US$m
Cross currency swaps	-	-	80	1,347
Interest rate swaps	53	1,475	39	2,349
Equity swaps	1	12	-	-
Foreign exchange contracts	4	157	10	301
	58	1,644	129	3,997

	2015			
	Assets		Liabilities	
	Fair value	Notional	Fair value	Notional
	US$m	US$m	US$m	US$m
Cross currency swaps	5	640	93	707
Interest rate swaps	46	1,364	35	2,423
Equity swaps	1	9	-	8
Foreign exchange contracts	6	169	11	477
	58	2,182	139	3,615

Notional principal amounts are the amount of principal underlying the contract at the reporting dates.

(c) Offsetting derivative assets and liabilities

	Assets		Liabilities	
	2016	2015	2016	2015
	US$m	US$m	US$m	US$m
Reported in the balance sheet	58	58	129	139
Related amounts not offset in the balance sheet	(39)	(37)	(39)	(37)
	19	21	90	102

There are no amounts offset within the assets and liabilities reported in the balance sheet.

(d) *Valuation methodology*

The valuation method used in determining the fair values reported in the above tables at both 31 March 2016 and 31 March 2015 is classified as Level 2 as defined by IFRS 13 in that they are not traded in an active market and whose valuations are derived from available market data that is observable for the asset or liability.

25. Fair value methodology

Information in respect of the fair value of borrowings is included in note 23(a). There are no material differences between the carrying value of the Group's other financial assets and liabilities not measured at fair value and their estimated fair values. The following assumptions and methods are used to estimate the fair values:

- the fair values of receivables, payables and cash and cash equivalents are considered to approximate to the carrying amounts;
- the fair values of short-term borrowings, other than bonds, are considered to approximate to the carrying amounts due to the short maturity terms of such instruments;
- the fair value of that portion of bonds carried at amortised cost is based on quoted market prices, employing a valuation falling within Level 1 of the IFRS 13 fair value hierarchy;
- the fair values of long-term floating rate bank loans and finance lease obligations are considered to approximate to the carrying amount; and
- the fair values of other financial assets and liabilities are calculated based on a discounted cash flow analysis, using a valuation methodology falling within Level 2 of the IFRS 13 fair value hierarchy.

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Notes to the financial statements for the year ended 31 March 2016 (continued)

26. Contractual undiscounted future cash flows for financial liabilities

At 31 March 2016	Less than one year US$m	One to two years US$m	Two to three years US$m	Three to four years US$m	Four to five years US$m	Over five years US$m	Total US$m
Borrowings	133	1,182	749	617	20	595	**3,296**
Amounts owed to group undertakings	8,720	1,482	225	6,920	1,402	27	**18,776**
Net settled derivative financial instruments - interest rate swaps	18	15	14	5	2	-	**54**
Gross settled derivative financial instruments:							
Outflows for derivative contracts	340	30	667	723	-	-	**1,760**
Inflows for derivative contracts	(355)	(54)	(629)	(597)	-	-	**(1,635)**
Gross settled derivative financial instruments	(15)	(24)	38	126	-	-	**125**
Trade and other payables	21	-	-	-	-	-	**21**
Cash outflows	**8,877**	**2,655**	**1,026**	**7,668**	**1,424**	**622**	**22,272**

At 31 March 2015	Less than one year US$m	One to two years US$m	Two to three years US$m	Three to four years US$m	Four to five years US$m	Over five years US$m	Total US$m
Borrowings	228	757	681	665	583	632	**3,546**
Amounts owed to group undertakings	4,864	3,530	206	171	6,886	118	**15,775**
Net settled derivative financial instruments - interest rate swaps	23	21	14	10	-	(1)	**67**
Gross settled derivative financial instruments:							
Outflows for derivative contracts	450	14	14	14	721	-	**1,213**
Inflows for derivative contracts	(452)	(26)	(26)	(26)	(563)	-	**(1,093)**
Gross settled derivative financial instruments	(2)	(12)	(12)	(12)	158	-	**120**
Trade and other payables	23	-	-	-	-	-	**23**
Cash outflows	**5,136**	**4,296**	**889**	**834**	**7,627**	**749**	**19,531**

The tables above analyse financial liabilities into maturity groupings based on the period from the balance sheet date to the contractual maturity date. As the amounts disclosed are the contractual undiscounted cash flows, they differ from the carrying values and fair values. Contractual undiscounted future cash outflows for derivative financial liabilities in total amount to US$179m (2016: US$187m).The contractual undiscounted future cash flows reported in the tables above in respect of amounts owed to group undertakings reflect anticipated repayment dates.

Notes to the financial statements for the year ended 31 March 2016 (continued)

27. Deferred tax asset

	Retirement benefit assets – deferred tax liability	Retirement benefit obligations – deferred tax asset	**Net retirement benefit obligations – deferred tax asset**	**Other deferred tax asset**	**Total deferred tax asset**
	US$m	US$m	**US$m**	**US$m**	**US$m**
At 1 April 2015	(1)	7	**6**	**4**	**10**
Profit and loss account	-	-	**-**	**1**	**1**
Tax in respect of items taken to other comprehensive income	-	-	**-**	**-**	**-**
At 31 March 2016	**(1)**	**7**	**6**	**5**	**11**

	Retirement benefit assets – deferred tax liability	Retirement benefit obligations – deferred tax asset	**Net retirement benefit obligations – deferred tax asset**	**Other deferred tax asset**	**Total deferred tax asset**
	US$m	US$m	**US$m**	**US$m**	**US$m**
At 1 April 2014	(1)	7	**6**	2	**8**
Profit and loss account	-	(1)	**(1)**	2	**1**
Tax credit in respect of items taken to other comprehensive income	-	1	**1**	-	**1**
At 31 March 2015	**(1)**	**7**	**6**	**4**	**10**

Deferred tax is recognised in full on retirement benefit assets and obligations. The other deferred tax asset recognised has arisen on other short term timing differences.

The Company has not recognised a deferred tax asset of US$12m at 31 March 2016 (2015: US$13m) in respect of losses that can be carried forward against future taxable income on the basis that their future utilisation is uncertain. Similarly the Company has not recognised a deferred tax asset of US$1m (2015: US$1m) in respect of capital losses that can be carried forward against future taxable gains. These losses are available indefinitely.

28. Called up share capital

	2016	2015
	US$	US$
Allotted and fully paid:		
878,689,185 ordinary shares of 29 3/43 pence each	**507,304,414**	507,304,414

29. Reserves

The share premium account is not available for distribution.

The translation reserve, which has been eliminated on the adoption of FRS 101, was recognised on the change in the Company's functional currency from sterling to the US dollar, with effect from 1 April 2009, and principally arose as a result of the strengthening of sterling against the US dollar in the year ended 31 March 2009.

The balance on the profit and loss account comprises net profits retained in the Company after the payment of dividends. Of the balance at 31 March 2016, an amount of US$1,018m formerly recognised in the translation reserve is not distributable. Other movements in respect of share incentive plans recognised in the profit and loss account comprise payments made to employees at the vesting of awards.

Experian Finance plc

Notes to the financial statements for the year ended 31 March 2016 (continued)

30. Share incentive plans

The Experian Group has a number of equity settled, share-based employee incentive plans in respect of ordinary shares in Experian plc and in which employees of the Company participate. The following information relates to awards and options held by the Company's employees. As the price of Experian plc's ordinary shares is quoted in sterling, such information on award, option and share prices is given in sterling.

(a) Cost of share-based compensation

	2016	2015
	US$m	US$m
Charge recognised in profit and loss account – share awards	7	7
Associated social security charge	-	-
Total charge recognised in profit and loss account	7	7

The associated social security charge includes amounts in respect of derivatives, in the form of equity swaps, entered into in connection with such obligations.

(b) Share awards

(i) Summary of arrangements and performance conditions

There are three plans under which share awards are granted – the two Experian Co-Investment Plans (the 'CIPs') and the Experian Performance Share Plan (the 'PSP').

Awards take the form of a grant of shares and vest over a service period of three years, with a maximum term generally of the same length, and are settled by share distribution. The assumption at grant date for employee departures prior to vesting is between 5% and 10% for conditional awards and 20% for certain unconditional awards which are only made under the Experian PSP.

Other details in respect of conditional awards are given below.

	Performance conditions for vesting	Assumed outcome at grant date
CIPs	50% – Profit performance of Experian Group assessed against specified targets	Benchmark PBT per share – 100% of target Benchmark PBT – 67% to 71% of target
	50% – Cumulative operating cash flow of Experian Group	Cumulative operating cash flow – 100% of target
PSP	75% – Profit performance of Experian Group assessed against specified targets	Benchmark PBT per share – 100% of target Benchmark PBT – 67% to 71% of target
	25% – Distribution percentage determined by ranking Total Shareholder Return ('TSR') relative to a comparator group	TSR – 45% to 50%

Benchmark PBT per share growth forms the basis of the Profit performance condition for awards made in the year ended 31 March 2016. The Profit performance condition for awards made in the year ended 31 March 2015 and 31 March 2014 was based on Benchmark PBT growth.

Benchmark PBT, Benchmark PBT per share and operating cash flow are reported as non-GAAP measures in the group financial statements of Experian plc and are defined on pages 126 and 127 of the Experian annual report.

30. Share incentive plans (continued)

(b) Share awards (continued)

(i) Summary of arrangements and performance conditions (continued)

CIPs

For the purposes of IFRS 2, the grant date for these plans is the start of the financial year in which performance is assessed. This is before the number of shares to be awarded is determined but the underlying value of the award is known, subject to the outcome of the performance condition. The value of awarded shares reflects the performance outcome assumed at the date of their issue to participants and is recognised over a four-year period.

The range of performance conditions for awards under these plans is set out below.

	Profit performance condition		Cash flow condition	
Year of award	Target	Maximum	Target	Maximum
Year ended 31 March 2016	4% per annum	8% per annum	US$3.6bn	US$4.0bn
Year ended 31 March 2015	7% per annum	14% per annum	US$4.0bn	US$4.4bn
Year ended 31 March 2014	7% per annum	14% per annum	US$3.8bn	US$4.2bn

The Profit performance condition requires Benchmark PBT per share growth at the stated percentages over a three-year period for awards made in the year ended 31 March 2016, with Benchmark PBT growth at the stated percentages for awards made in the earlier years reported. The cumulative operating cash flow performance condition (the 'cash flow condition') is based on cumulative operating cash flow over a three-year period. The period of assessment commences at the beginning of the financial year of grant. These are not 'market-based' performance conditions as defined by IFRS 2.

PSP

The range of Profit performance conditions for conditional awards under this plan is the same as those shown in the table above for the CIPs, also measured over a three-year period.

The TSR performance condition is considered a market-based performance condition as defined by IFRS 2. In valuing the awarded shares, TSR is evaluated using a Monte Carlo simulation, with historic volatilities and correlations for comparator companies measured over the three-year period preceding valuation and an implied volatility for Experian plc ordinary shares.

(ii) Information relating to share grant valuation

Share grants are valued by reference to the market price on the day of award, with no modification for dividend distributions or other factors as participants are entitled to dividend distributions on awarded shares. Market-based performance conditions are included in the fair value measurement on the grant date and are not revised for actual performance.

Notes to the financial statements for the year ended 31 March 2016 (continued)

30. Share incentive plans (continued)

(b) Share awards (continued)

(iii) Share awards outstanding

	2016 million	2015 million
At 1 April	**5.5**	6.9
Grant of awards	**1.1**	1.2
Forfeitures of awards	**-**	(0.2)
Lapse of awards	**(0.8)**	(0.1)
Vesting of awards	**(2.0)**	(2.3)
At 31 March	**3.8**	5.5
Analysis by plan:		
Experian Co-investment Plan	**2.1**	3.5
Experian Performance Share Plan (conditional awards)	**1.4**	1.6
Experian Performance Share Plan (unconditional awards)	**0.3**	0.4
At 31 March	**3.8**	5.5

There were awards in respect of 1,143,728 shares granted in the year ended 31 March 2016 (2015: 1,239,280), with a weighted average fair value of £11.66 (2015: £10.22).

(c) Share options

(i) Summary of arrangements

The only options granted in the current and prior year have been in respect of Experian Sharesave Plans with options over 17,168 shares granted in the year ended 31 March 2016 (2015: 33,716 shares) and a cost of US$nil (2015: US$nil). As the numbers of shares and the related costs are not significant, disclosures relating to the application of valuation techniques, inputs into valuation models and fair values of options granted have again been omitted. Although there have been no grants of options under the Experian Share Option Plan and equivalent legacy plans in the current and prior year, options remain outstanding under such plans.

(ii) Movement in number of options and weighted average exercise price

	Number 2016 million	**Price 2016 £**	Number 2015 million	Price 2015 £
Options outstanding at 1 April	**0.2**	**5.77**	0.3	5.40
Exercise of options	**(0.1)**	**5.41**	(0.1)	5.05
Options outstanding at 31 March	**0.1**	**6.24**	0.2	5.77
Options exercisable at 31 March	**0.1**	**4.93**	0.2	4.96

The weighted average share price achieved for options exercised during the year was £11.73 (2015: £10.78).

(iii) Options outstanding

At 31 March 2016				
Range of exercise prices	**Number**	**Weighted average exercise price**	**Weighted average remaining lives**	
£	**million**	**£**	**Expected years**	**Contractual years**
4 to 5	**0.1**	**4.64**	**-**	**3.2**

Other options outstanding and exercisable at 31 March 2016 are at a range of exercise prices reflected in the weighted average exercise price of £4.93.

At 31 March 2015				
Range of exercise prices	Number	Weighted average exercise price	Weighted average remaining lives	
£	million	£	Expected years	Contractual years
4 to 5	0.1	4.71	-	**2.0**
5 to 6	0.1	5.38	-	**1.3**
	0.2	4.96		

31. Retirement benefit assets and obligations

(a) Retirement benefit arrangements

(i) Funded pension arrangements

The Company's employees participate in both defined benefit and defined contribution pension plans.

The Company's defined benefit plan is the Experian Pension Scheme, which was closed to new entrants in 2009, and its defined contribution plan is the Experian Retirement Savings Plan. These plans are governed by trust deeds which ensure that their finances and governance are independent from those of the Company.

The Experian Pension Scheme has rules which specify the benefits to be paid and is financed accordingly. A full actuarial funding valuation of this plan is carried out every three years with interim reviews in the intervening years. The latest full valuation was carried out as at 31 March 2013 by independent, qualified actuaries, Towers Watson Limited, using the projected unit credit method. Under this method of valuation the current service cost, when expressed as a percentage of pensionable salary, will increase as members approach retirement due to the ageing active membership of the plan. There was a small deficit at the date of the 2013 full actuarial valuation but no deficit repayment contributions are currently required. The next full valuation will be carried out as at 31 March 2016.

For the purpose of IAS 19, The Experian Pension Scheme is a plan that is under common control with assets and liabilities allocated between the Company and Experian Limited, a fellow group company. Details of the total plan, together with information on the related risks, are set out on pages 157 to 161 of the Experian annual report. The amounts recognised by the Company in its statement of comprehensive income and balance sheet relate to those employees of the Company who are members of the Experian Pension Scheme.

(ii) Unfunded pension arrangements

The Company has had unfunded pension arrangements in place for a number of years designed to ensure that certain directors and senior managers in the UK who are affected by the earnings cap are placed in broadly the same position as those who are not. There are also unfunded arrangements for one current director and certain former directors and employees of the Company.

Certain of these unfunded pension benefit arrangements in the UK have been secured by the grant of charges to an independent trustee over an independently managed portfolios of marketable securities owned by Experian SURBS Investments Limited, a subsidiary undertaking of the Company.

(b) Retirement benefit assets and obligations – disclosures

The assets and obligations in respect of the defined benefit are recognised in the Company's balance sheet in accordance with the requirements of IAS 19 and the disclosures required by that standard are as follows:

(i) Amounts recognised in the balance sheet

Net surplus in the funded plan recognised as retirement benefit assets:

Recognised as retirement benefit assets	**2016 US$m**	2015 US$m
Fair value of funded plan's assets	**94**	101
Present value of funded plan's liabilities	**(91)**	(95)
Net surplus recognised as retirement benefit assets	**3**	6

Recognised as retirement benefit obligations:		
Present value of defined pension benefits - unfunded plans	**35**	37

The entire surplus in the funded plan of US$3m at 31 March 2016 (2015: US$6m) is recoverable in accordance with IAS 19 and has been recognised in these financial statements. The Company's retirement benefit assets and obligations are denominated primarily in sterling.

(ii) Amounts recognised in the profit and loss account

	2016 US$m	2015 US$m
Current service cost	**1**	1
Administration expenses	**2**	2
Charged within staff costs and total operating expenses	**3**	3
Charge within finance items	**-**	1
Total charge to profit and loss account	**3**	4

Notes to the financial statements for the year ended 31 March 2016 (continued)

31. Retirement benefit assets and obligations (continued)

(b) Retirement benefit assets and obligations – disclosures (continued)

(iii) Remeasurement recognised in the statement of comprehensive income

	2016 US$m	2015 US$m
(Loss)/gain on assets	**(4)**	10
Gain/(loss) on change of assumptions	**2**	(12)
Experience gain/(loss) on liabilities	**1**	(1)
	(1)	(3)

(iv) Movements in net retirement benefit assets/(obligations) recognised in the balance sheet

	Fair value of plan assets	Present value of defined pension obligations			**Net retirement benefit assets /(obligations)**
		Funded	Unfunded	Total	
	US$m	US$m	US$m	US$m	**US$m**
At 1 April 2015	101	(95)	(37)	(132)	**(31)**
Profit and loss account (charge)/credit:					
Current service cost	-	(1)	-	(1)	**(1)**
Administration expenses	-	(2)	-	(2)	**(2)**
Interest income/(expense)	4	(3)	(1)	(4)	**-**
Total (charge)/credit to profit and loss account	4	(6)	(1)	(7)	**(3)**
Remeasurements:					
Return on plan assets other than interest	(4)	-	-	-	**(4)**
Gains from change in financial assumptions	-	2	-	2	**2**
Experience gains	-	-	1	1	**1**
Remeasurement of post-employment benefit assets and obligations	(4)	2	1	3	**(1)**
Differences on exchange	(2)	1	1	2	**-**
Contributions paid by the Company	3	-	-	-	**3**
Benefits paid	(8)	7	1	8	**-**
At 31 March 2016	**94**	**(91)**	**(35)**	**(126)**	**(32)**

Notes to the financial statements for the year ended 31 March 2016 (continued)

31. Retirement benefit assets and obligations (continued)

(b) Retirement benefit assets and obligations – disclosures (continued)

(iv) Movements in net retirement benefit assets/(obligations) recognised in the balance sheet (continued)

	Fair value of plan assets	Present value of defined pension obligations			**Net retirement benefit assets /(obligations)**
		Funded	Unfunded	Total	
	US$m	US$m	US$m	US$m	**US$m**
At 1 April 2014	103	(96)	(35)	(131)	**(28)**
Profit and loss account (charge)/credit:					
Current service cost	-	(1)	-	(1)	**(1)**
Administration expenses	-	(2)	-	(2)	**(2)**
Interest income/(expense)	4	(4)	(1)	(5)	**(1)**
Total (charge)/credit to profit and loss account	4	(7)	(1)	(8)	**(4)**
Remeasurements:					
Return on plan assets other than interest	10	-	-	-	**10**
Losses from change in financial assumptions	-	(8)	(2)	(10)	**(10)**
Losses from change in demographic assumptions	-	-	(2)	(2)	**(2)**
Experience losses	-	-	(1)	(1)	**(1)**
Remeasurement of post-employment benefit assets and obligations	10	(8)	(5)	(13)	**(3)**
Differences on exchange	(12)	11	3	14	**2**
Contributions paid by the Company	2	-	-	-	**2**
Benefits paid	(6)	5	1	6	**-**
At 31 March 2015	**101**	**(95)**	**(37)**	**(132)**	**(31)**

(v) Actuarial assumptions

The accounting valuations used at 31 March 2016 have been based on the most recent actuarial valuations updated by Willis Towers Watson to take account of the requirements of IAS 19. The assumptions for the real discount rate, salary increases and mortality, used to calculate the present value of the defined benefit obligations, all have a significant effect on the accounting valuation.

Changes to these assumptions in the light of prevailing conditions may have a significant impact on future valuations. Indications of the sensitivity of the amounts reported at 31 March 2016 to changes in the real discount rate and life expectancy are included below. The methods and types of assumptions used are consistent with those used in the year ended 31 March 2015 and the absolute sensitivity numbers are stated on a basis consistent with the methodology used in determining the accounting valuation as at 31 March 2016. The methodology evaluates the effect of a change in each assumption on the relevant obligations, whilst holding all other assumptions constant.

Notes to the financial statements for the year ended 31 March 2016 (continued)

31. Retirement benefit assets and obligations (continued)

(b) Retirement benefit assets and obligations – disclosures (continued)

(v) Actuarial assumptions (continued)

Financial assumptions:

	2016 %	2015 %
Discount rate	**3.4**	3.3
Inflation rate – based on the UK Retail Prices Index (the 'RPI')	**2.9**	2.9
Inflation rate – based on the UK Consumer Prices Index (the 'CPI')	**1.9**	1.9
Increase in salaries	**3.4**	3.4
Increase for pensions in payment – element based on the RPI (where cap is 5%)	**2.7**	2.8
Increase for pensions in payment – element based on the CPI (where cap is 2.5%)	**1.5**	1.5
Increase for pensions in payment – element based on the CPI (where cap is 3%)	**1.7**	1.7
Increase for pensions in deferment	**1.9**	1.9

The principal financial assumption is the real discount rate, being the excess of the discount rate over the rate of inflation. The discount rate is based on the market yields on high quality corporate bonds of appropriate currency and term to the defined benefit obligations. In the case of the Experian Pension Scheme, the obligations are primarily in sterling and have a maturity of some 18 years. If the real discount rate increased/decreased by 0.1%, the defined benefit obligations reported at 31 March 2016 would decrease/increase by approximately US$2m and the annual current service cost would remain unchanged. The rates of increase for pensions in payment reflects the separate arrangements applying to different classes of the Company's pensioners.

Mortality assumptions - based on average life expectancy on retirement at age 65 in normal health:

	2016 years	2015 years
Longevity for a male currently aged 65	**23.4**	23.3
Longevity for a female currently aged 65	**25.2**	25.1
Longevity for a male currently aged 50	**24.7**	24.6
Longevity for a female currently aged 50	**26.6**	26.5

The IAS 19 valuation assumes that mortality will be in line with standard tables adjusted to reflect the expected experience of the Plan membership based on analysis carried out for the 31 March 2013 funding valuation. A specific allowance for anticipated future improvements in life expectancy is also incorporated. If there was an increase in assumed life expectancy of 0.1 years, the defined benefit obligation at 31 March 2016 would increase by approximately US$1m and the annual current service cost would remain unchanged.

(vi) Assets of the defined benefit plan at fair value

	2016 US$m	2016 %	2015 US$m	2015 %
Equities	**42**	**45**	46	45
Fixed interest securities	**42**	**45**	44	44
Investments funds	**10**	**10**	10	10
Other	**-**	**-**	1	1
	94	**100**	101	100

These assets do not include any amounts in respect of the shares or borrowings of Experian plc or the Company. These assets do not include any material unquoted amounts.

(vii) Future contributions

Contributions expected to be paid to the Experian Pension Scheme during the year ending 31 March 2017 are US$1.2m by the Company and its employees.

(c) Defined contribution plan

A cost of US$1.3m (2015: US$1.3m) was charged in the year, representing contributions payable to the Experian Money Purchase Pension Plan.

Notes to the financial statements for the year ended 31 March 2016 (continued)

32. Commitments

There are no material capital or operating lease commitments relating to the Company (2015: US$nil).

33. Contingencies

As indicated on page 168 of the Experian annual report, there continue to be a number of pending and threatened litigation and other claims involving the Experian Group, across all its major geographies, which are being vigorously defended. The directors do not believe that the outcome of any such claims will have a materially adverse effect on the Company's financial position. However, as is inherent in legal, regulatory and administrative proceedings, there is a risk of outcomes that may be unfavourable to the Company and its subsidiary undertakings. In the case of unfavourable outcomes, the Company and the relevant subsidiary undertakings may benefit from applicable insurance recoveries.

34. Related party transactions

During the year ended 31 March 2016, the Company provided certain corporate services to Serasa S.A., its principal subsidiary undertaking in Brazil, and charged that company US$12m (2015: US$12m) for those services. At 31 March 2016, the amount due from that company in respect of those services was US$3m (2015: US$2m).

35. Ultimate parent undertaking and controlling party

The Company's immediate parent undertaking is Experian (UK) Finance Limited, incorporated in England and Wales. That company is a wholly owned subsidiary of Experian plc, a company incorporated in Jersey, which is the Company's ultimate parent undertaking and controlling party. Experian plc is the only group in which the results of the Company for the year were consolidated and copies of its group financial statements may be obtained from the Company Secretary, Experian plc, Newenham House, Northern Cross, Malahide Road, Dublin 17, D17 Y61, Ireland.

Notes to the financial statements for the year ended 31 March 2016 (continued)

36. Related undertakings

(a) Subsidiary undertakings

The Company's principal subsidiary undertakings are shown in note 20. The Company has five other wholly owned and directly held subsidiaries and these are listed below.

Name	Country of incorporation	Nature of business
Chatsworth Investments Limited	England and Wales	Property company
Experian Nominees Limited	England and Wales	Dormant
GUS 1998 Unlimited	England and Wales	Finance company
GUS Catalogues Limited	England and Wales	Finance company
GUS Holdings (2004) Limited	England and Wales	Holding company

All the subsidiary undertakings of these companies and GUS 2000 Finance Limited at 31 March 2016 are included in the list below. These companies are indirect subsidiaries of the Company and, other than those companies which are subsidiary undertakings of Experian Colombia S.A., they are wholly owned. The Company holds indirect interests in 99.9% of the issued equity shares of the subsidiary undertakings of Experian Colombia S.A..

Name	Country of incorporation	Nature of business
192business Ltd	England and Wales	Dormant
Accolade Unlimited	England and Wales	Dormant
Byington Colombia S.A.S.*	Colombia	Information services
Cardinal Finance Unlimited	England and Wales	Finance company
CCN UK 2005 Limited	England and Wales	Holding company
CCN UK Unlimited	England and Wales	Finance company
ClarityBlue, Inc.	USA	Non-trading
Credit Analyst International Corp.*	Panama	Holding company
EHI 2005 Limited	England and Wales	Holding company
EHI UK Unlimited	England and Wales	Finance company
EIS 2005 Limited	England and Wales	Holding company
EIS UK Unlimited	England and Wales	Finance company
Experian 2001 Unlimited	England and Wales	Dormant
Experian 2006 Unlimited	England and Wales	Dormant
Experian Colombian Investments, SL	Spain	Holding company
Experian Credit Advisors, Inc	USA	Information services
Experian Data Corp	USA	Information services
Experian Europe Unlimited	England and Wales	Finance company
Experian Finance 2012 Limited	England and Wales	Finance company
Experian Fraud Prevention Solutions, Inc.	USA	Decision analytics
Experian Group Limited	England and Wales	Finance company
Experian Holding EURL	France	Non-trading
Experian International Unlimited	England and Wales	Finance company
Experian Latam Espana Inversiones S.L.U.*	Spain	Holding company
Experian Latam Holdings Unlimited	England and Wales	Holding company
Experian Luxembourg Finance S.A.R.L.	Luxembourg	Finance company
Experian NA Holdings Unlimited	England and Wales	Dormant
Experian NA Unlimited	England and Wales	Dormant
Experian Northern Ireland Limited	Northern Ireland	Dormant
Experian Peru S.A.C.*	Peru	Information services

* a wholly owned subsidiary undertaking of Experian Colombia S.A.

Notes to the financial statements for the year ended 31 March 2016 (continued)

36. Related undertakings (continued)

(a) Subsidiary undertakings (continued)

Name	Country of incorporation	Nature of business
Experian Soluciones de Informacion, S.A. de C.V.	Mexico	Non-trading
Experian Soluciones V, S.A.*	Venezuela	Information services
Experian SURBS Investments Limited	England and Wales	Investment holding
Experian Tecnologia Brasil Ltda	Brazil	Intellectual property
Experian (UK) Holdings 2006 Limited	England and Wales	Holding company
Experian US Holdings Unlimited	England and Wales	Holding company
Experian US Unlimited	England and Wales	Dormant
General Guarantee Corporation Unlimited	England and Wales	Dormant
General Guarantee Finance Limited	England and Wales	Dormant
G.G.C. Leasing Limited	England and Wales	Dormant
Great Universal Stores (South Africa) (Pty) Ltd	South Africa	Non-trading
GreenUmbrella.com, Inc.	USA	Marketing services
GUS 2000 UK Unlimited	England and Wales	Dormant
GUS 2000 Unlimited	England and Wales	Dormant
GUS 2002 Unlimited	England and Wales	Dormant
GUS 2004 Limited	England and Wales	Finance company
GUS 2005 Finance Unlimited	England and Wales	Dormant
GUS Europe Holdings BV	The Netherlands	Holding company
GUS Finance (2004) Limited	England and Wales	Finance and holding company
GUS Finance 2006 Unlimited	England and Wales	Dormant
GUS Finance Holdings Unlimited	England and Wales	Dormant
GUS Finance Ireland	Ireland	Finance company
GUS Finance Luxembourg Limited	England and Wales	Dormant
GUS Financial Services Unlimited	England and Wales	Dormant
GUS Holdings Unlimited	England and Wales	Holding company
GUS International	England and Wales	Dormant
GUS International Holdings SE	England and Wales	Finance company
GUS Investments 2003	Ireland	Dormant
GUS Ireland Holdings SE	England and Wales	Finance company
GUS NA Unlimited	England and Wales	Dormant
GUS Netherlands Unlimited	England and Wales	Dormant
GUS Overseas Holdings SE	England and Wales	Finance company
GUS Overseas Investments SE	England and Wales	Finance company
GUS Overseas Retailing Unlimited	England and Wales	Dormant
GUS Overseas Unlimited	England and Wales	Dormant
GUS Property Investments Limited	England and Wales	Property company
G.U.S. Property Management Limited	England and Wales	Dormant
GUS Unlimited	England and Wales	Dormant
GUS US Holdings SE	England and Wales	Finance company
GUS US Holdings Unlimited	England and Wales	Dormant
GUS US Unlimited	England and Wales	Dormant
GUS Ventures Unlimited	England and Wales	Dormant
HD Decisions Limited	England and Wales	Non-trading
Hugh Wyllie, Limited	England and Wales	Dormant

* a wholly owned subsidiary undertaking of Experian Colombia S.A.

36. **Related undertakings (continued)**

(a) Subsidiary undertakings (continued)

Name	Country of incorporation	Nature of business
International Communication & Data Limited	England and Wales	Dormant
Leadspend, Inc.	USA	Marketing services
QAS Limited	England and Wales	Dormant
Rexburg Spain SL	Spain	Finance company
Riverleen Finance Unlimited	England and Wales	Finance company
SafetyWeb, Inc.	USA	Information services
Statschedules India, LLC	USA	Investment holding
Tallyman Australia Pty Limited	Australia	Non-trading
Tallyman Limited	England and Wales	Non-trading
Techlightenment Ltd	England and Wales	Dormant
The 41st Parameter, Inc	USA	Decision analytics
The 41st Parameter, Ltd.	England and Wales	Dormant
The Royal Exchange Company (Leeds) Unlimited	England and Wales	Dormant
The Witney Mattress, Divan and Quilt Company Unlimited	England and Wales	Dormant
W2 Software (India) Private	India	Information services
X88 Software Limited	England and Wales	Non-trading

(b) Additional information on subsidiary undertakings

The Company's equity interests comprise direct or indirect holdings of ordinary shares, common stock or common shares only, except as listed below:

GUS 2004 Limited, Motorfile Limited and Experian Soluciones V, S.A. – A ordinary and B ordinary shares
GUS International and GUS Investments 2003 – B ordinary shares
GUS 2000 Unlimited – X ordinary and Y ordinary shares
Experian Holdings, Inc. – class A common stock
Experian Information Solutions Inc. – common no par value shares
Experian Services Corporation – ordinary no par value shares

(c) Associate undertakings

Name	Holding
Central Source LLC	33.3%
New Management Services, LLC	33.3%
Online Data Exchange LLC	25.0%
Opt-out Services, LLC	25.0%
VantageScore Solutions, LLC	33.3%

The associate entities are all incorporated in the USA.