Experian Limited

Annual report and financial statements

for the year ended 31 March 2012

Company registered number 00653331

Experian Limited

Annual report and financial statements for the year ended 31 March 2012

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Directors and other information

Directors

C A Boundy
R W Fiddis
R C Gallagher
B J Herb
M E Pepper
C J Rutter
M Wells

Company secretary

R P Hanna

Independent auditors

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Donington Court
Pegasus Business Park
Castle Donington
East Midlands
DE74 2UZ

Registered office

Landmark House
Experian Way
NG2 Business Park
Nottingham
Nottinghamshire
NG80 1ZZ

Experian Limited

Directors' report
for the year ended 31 March 2012

The directors present their report and the audited financial statements for the year ended 31 March 2012 The Company's registered number is 00653331

Principal activity

The Company is a member of the Experian plc Group and is Experian plc's main operating subsidiary in the UK The Company's principal activity is to provide data and analytical tools to clients Clients use these to manage credit risk, prevent fraud, target marketing offers and automate decision making The Company also helps individuals to manage their credit relationships and protect against identity theft

Review of the business and future developments

The Company returned to growth in its Credit Services business, with turnover growth of 8 5% over 2011 It benefited from some stabilisation in lending activity, new client wins in the financial services sector and growth with telecommunications and utilities clients The Decision Analytics business performed well, with turnover growth of 9 2%, benefiting from the adoption of customer management tools by telecommunications and utilities clients, and further penetration of its authentication and fraud prevention tools within the public sector

Turnover growth in Marketing Services was 1 7% While there was good progress across digital marketing platforms such as email marketing, market conditions were fairly soft and demand for data services was relatively weak

The 2012 results include receipts of £134 4m (2011 £15 6m) of dividends from subsidiaries, including a significant interim dividend of £120m in 2012 from QAS Limited, one of the Company's principal trading subsidiaries Impairment charges of £12 7m (2011 £15 2m) were recognised against the carrying value of certain of the Company's investments in subsidiaries which no longer trade and from which dividends were received

The results for 2012 and the financial position at the year end were considered satisfactory by the directors The external commercial environment is expected to remain competitive for the remainder of 2012 and 2013, but the directors remain confident that the current level of performance will be maintained in future

Going concern

The financial statements have been prepared on a going concern basis, notwithstanding the net current liabilities of £243 8m at 31 March 2012 (2011 £206 6m) Experian plc has given an undertaking to support the Company for at least twelve months from the date of signing the financial statements

Principal risks and uncertainties

The management of the business and the execution of the Company's strategy are subject to a number of risks The key business risks and uncertainties affecting the Company are considered to relate to data security, information systems and government regulation The principal risks and uncertainties facing the Company, together with the main means by which they are managed or mitigated, are set out on pages 24 to 27 of the Experian plc 2012 annual report, which does not form part of this report

Financial risk management

The directors also monitor the risks facing the Company with reference to its exposure to foreign exchange, interest rate, price, credit, and liquidity risks They are confident that there are suitable policies in place and there are no material risks and uncertainties which have not been considered The most significant of these risks is credit risk The Company has implemented policies that require appropriate credit checks on potential customers before sales are made The amount of exposure to any counterparty is subject to a limit, which is reassessed periodically

Most aspects of exposures to foreign exchange, interest rate, price, and liquidity risk are managed on a group basis and are discussed in the financial review on pages 40 to 46 of the Experian plc 2012 annual report, and note 8 to the Experian plc 2012 Group financial statements, neither of which form part of this report

Key performance indicators

As the Company's relevant risks 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 plc Group's (the 'Group's') key performance indicators is given on pages 22 and 23 of the Experian plc 2012 annual report

Experian Limited

Directors' report
for the year ended 31 March 2012 (continued)

Results and dividends

The profit for the financial year was £192 3m (2011 £90 1m) An interim dividend of £244 92 per share, whose total cost amounted to £120 0m, was paid on 1 July 2011, and a second interim dividend of £122 46 per share, whose total cost amounted to £60 0m, was paid on 5 March 2012 (2011 no interim dividends paid) The directors do not recommend payment of a final dividend (2011 £nil)

Directors

The directors holding office during the year and up to the date of this report were

C A Boundy	(appointed 16 December 2011)
R W Fiddis	
R C Gallagher	
B J Herb	(appointed 22 June 2011)
C M Hogg	(resigned 30 June 2011)
R J Hudson	(resigned 12 September 2011)
M E Pepper	
C J Rutter	
M Wells	

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 This is a qualifying third party indemnity provision for the purposes of the Companies Act 2006

Acquisitions and disposals

On 25 July 2011 the Company bought, for cash of £22 5m (including related acquisition costs), 100% of the issued shares of LM Group Ltd and its subsidiaries, providers of business credit information The main subsidiary of LM Group Ltd was Riskdisk Ltd, and that company became a direct subsidiary of Experian Limited on 28 October 2011 for a cash consideration

On 23 December 2011 the Company purchased, for a provisional cash consideration of £16 0m, 100% of the issued shares of Garlik Limited, a provider of web technology

On 29 February 2012 the Company completed the purchase of 100% of the issued shares of 192Business Limited, providers of identity verification and fraud screening services, for a provisional cash consideration of £26 4m On the same date it also purchased, for a cash consideration of £4 1m, the remaining 36% holding of shares in Tozan Limited which it did not already own

With effect from the close of business on 30 March 2012, L M Group Ltd, Riskdisk Ltd, Garlik Limited and Scorex (UK) Limited transferred their businesses, undertakings and assets to the Company

Research and development

Research and development has been a high priority in driving growth, particularly product development However, under revised arrangements being introduced within the Experian plc Group, many development costs are being borne by Experian Technology Limited, a fellow subsidiary undertaking, which will own the rights to the intellectual property involved and licence its use by the Company

Payment of suppliers

The Company's policy on payment of suppliers is to ensure that all payments in general are made in accordance with its standard terms and conditions of purchase when agreeing the terms of each transaction and, where appropriate, other contractual and legal obligations At 31 March 2012, the amount due to trade creditors by the Company represented 42 (2011 50) days of purchases

Charitable donations

The Company made donations to UK charitable organisations amounting to £58,000 (2011 £49,000) Details of the Group's donations can be found on pages 49 and 85 of the Experian plc 2012 annual report

Experian Limited

Directors' report
for the year ended 31 March 2012 (continued)

Corporate responsibility (CR)

The Company carefully considers its impact on society and reports its progress in the annual Experian plc Group CR report, which can be found at www experiancrreport com Particular priorities are community, environment and employees The Group works closely with its local communities to understand and address local needs Funding decisions are made democratically by representatives from across the business Environmental management for the Group is the responsibility of an Environmental Steering Group The Company obtained ISO 14001 certification in September 2003 and obtained re-certification in 2010 Experian Limited is continuously improving its employment policies and processes The Company promotes a healthy and safe working environment, and is committed to the continuous development of its people

Employment of people with disabilities

People with disabilities have equal opportunities when applying for vacancies In addition to complying with legislative requirements, procedures are in place to ensure that disabled employees are fairly treated and that their training and career development needs are carefully managed For those employees becoming disabled during the course of their employment, the Company is supportive, whether through re-training or re-deployment, so as to provide an opportunity for them to remain with the Company whenever possible

Employee involvement

The Company is committed to employee involvement throughout the business and is intent on motivating and keeping staff 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 concern and the financial and economic factors affecting the Group's performance through management channels, conferences, meetings, publications, intranet sites, and an internal social networking site was launched during the year Experian continues to support employee share ownership through the provision of save as you earn and other employee share plan arrangements intended to align the interests of employees with those of shareholders

Statement of directors' responsibilities

The directors are responsible for preparing 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 UK Generally Accepted Accounting Practice (UK Accounting Standards and applicable law) Under company law, the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of its profit or loss 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 UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business

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

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

28 August 2012

Independent auditors' report to the members of Experian Limited

We have audited the financial statements of Experian Limited for the year ended 31 March 2012, which comprise the profit and loss account, the statement of total recognised gains and losses, the balance sheet and the related notes The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

Respective responsibilities of directors and auditors

As explained more fully in the statement of directors' responsibilities set out in the directors' report, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) Those standards require us to comply with the Auditing Practices Board's 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

Scope of the audit of the financial statements

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 In addition, we read all the financial and non-financial information in the annual report and financial statements to identify material inconsistencies with the audited financial statements If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the Company's affairs as at 31 March 2012 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006

Opinion on other matter prescribed by the Companies Act 2006

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

Matters on which we are required to report by exception

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

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

David Teager (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
East Midlands
10 September 2012

Experian Limited

Profit and loss account
for the year ended 31 March 2012

	Notes	2012 £m	2011 £m
Turnover	2	**399.2**	375 8
Own work capitalised		**41.8**	28 6
		441 0	404 4
Staff costs		**(183.0)**	(180 0)
Less exceptional gain relating to pension plan	7	**-**	15 2
	3	**(183.0)**	(164 8)
Depreciation and other amounts written off tangible and intangible fixed assets	7	**(40 5)**	(34 7)
Other operating charges		**(124.9)**	(116 2)
Operating profit		**92 6**	88 7
Income from shares in group undertakings		**134.4**	15 6
Other interest receivable and similar income	5	**38 8**	44 9
Amounts written off investments – impairment charges against investments in subsidiary undertakings	12	**(12.7)**	(15 2)
Impairment credit against amounts due by subsidiary undertakings		**-**	3 7
Interest payable and similar charges	6	**(55.0)**	(48 2)
Profit on ordinary activities before tax	7	**198.1**	89 5
Tax on profit on ordinary activities	8	**(5.8)**	0 6
Profit on ordinary activities after tax and for the financial year	22	**192.3**	90 1

All amounts relate to continuing operations

There is no difference between the profits on ordinary activities before tax and the profits for the financial years stated above and their historical cost equivalents

Experian Limited

Statement of total recognised gains and losses for the year ended 31 March 2012

	Notes	2012 £m	2011 £m
Profit for the financial year		**192.3**	90 1
Actuarial gains arising in connection with the revised allocation of legacy defined benefit pension obligations	25	**4.7**	-
Other actuarial gains arising on pension assets and obligations	25	**6.9**	58 6
Effect of restriction of recognition of pension surplus	25	**(10.8)**	-
Total actuarial gains on pension plan	25	**0.8**	58 6
Deferred tax in respect of actuarial gains	20	**(0.2)**	(16 4)
Impact of reduction in future corporation tax rate on deferred tax attributable to pension surplus		**0.9**	0 8
Total recognised gains relating to the year		**193.8**	133 1

Experian Limited
Balance sheet
at 31 March 2012

	Notes	2012 £m	2011 £m
Fixed assets			
Intangible assets	10	**130.2**	106 8
Tangible assets	11	**31.9**	32 9
Investments – shares in group undertakings	12	**234.2**	208 8
Investments – other investments	13	-	3 9
		234.2	212 7
		396.3	352 4
Current assets			
Stocks	14	-	0 3
Debtors – amounts falling due within one year	15	**190.7**	184 2
Debtors – amounts falling due after more than one year	16	-	1,075 6
Cash at bank and in hand		**1.5**	0 2
		192.2	1,260 3
Current liabilities			
Creditors – amounts falling due within one year	17	**(436.0)**	(1,466 9)
Net current liabilities		**(243.8)**	(206 6)
Total assets less current liabilities		**152.5**	145 8
Creditors – amounts falling due after more than one year	18	-	(4 5)
Provisions for liabilities	19	**(2 1)**	(4 5)
Net assets excluding net pension assets and liabilities		**150.4**	136 8
Net pension asset – defined benefit funded pension plan	25	**46.1**	41 0
Net pension liability – unfunded pension arrangements	25	**(11.6)**	(11 5)
Net assets including net pension assets and liabilities		**184.9**	166 3
Capital and reserves			
Called up share capital	21	**0.5**	0 5
Share premium account	22	**17.2**	17 2
Other reserves - capital redemption reserve	22	-	-
Profit and loss account	22	**167.2**	148 6
Total shareholders' funds	23	**184.9**	166 3

The financial statements on pages 6 to 37 were approved by the board of directors on 28 August 2012 and signed on its behalf by

M E Pepper
Director

Experian Limited

Notes to the financial statements for the year ended 31 March 2012

1 Accounting policies

Basis of accounting

These financial statements have been prepared on a going concern basis, under the historical cost convention, in accordance with the Companies Act 2006 and applicable UK accounting standards, and have been rounded to the nearest hundred thousand pounds except where specifically noted otherwise The principal accounting policies are set out below

In accordance with Financial Reporting Standard ('FRS') 18, the Company has conducted a review of its accounting policies and estimation techniques, which has not resulted in any change to the Company's accounting policies or estimation techniques

Going concern

The financial statements have been prepared on a going concern basis, notwithstanding the net current liabilities of £243 8m at 31 March 2012 (2011 £206 6m) Experian plc has given an undertaking to support the Company for at least twelve months from the date of signing the financial statements

Cash flow statement, group accounts and related party disclosures

The Company is a wholly-owned subsidiary of Experian plc and included in its consolidated financial statements, which are publicly available Under FRS 1, these financial statements do not require inclusion of a cash flow statement Under the Companies Act 2006 the Company is exempt from preparing group accounts Under FRS 8 the Company is exempt from disclosing transactions with entities that are wholly-owned by Experian plc Details of other related party transactions are given in note 28

Turnover and revenue recognition

Turnover represents the fair value of the sale of goods and services to customers, net of VAT and other sales taxes, rebates and discounts, including the provision and processing of data, subscriptions to services, software and database customisation and development and the sale of software licences, maintenance and related consulting services

Turnover in respect of the provision and processing of data is recognised in the year in which the service is provided Subscription turnover, and turnover in respect of services to be provided by an indeterminate number of acts over a specified period of time, is recognised on a straight line basis over those periods

Customisation, development and consulting turnover is recognised by reference to the stage of completion of the work Turnover from software licences is recognised upon delivery Turnover from maintenance agreements is recognised on a straight line basis over the term of the maintenance period

Where a single arrangement comprises a number of individual elements which are capable of operating independently of one another, the total revenues are allocated amongst the individual elements based on an estimate of the fair value of each element Where the elements are not capable of operating independently, or reasonable measures of fair value for each element are not available, total revenue is recognised on a straight line basis over the contract period

Amounts received in advance of the delivery of products or performance of services are classified as deferred income

Pension costs and post retirement benefits

The Company provides pension benefits to eligible employees through membership of the Experian Pension Scheme, a defined benefit pension plan operated by itself and Experian Finance plc, but which was closed to new entrants in 2009 The plan is governed by a trust deed which ensures that its finances and governance are independent from those of the Experian plc Group It has rules which specify the benefits to be paid and is financed accordingly with assets being held in independently administered funds The cost of providing retirement benefits is charged to the profit and loss account under FRS 17 as set out in note 25

In addition, the Experian Money Purchase Pension Plan, a defined contribution pension plan also operated by the Company and Experian Finance plc, exists for employees not eligible to join the above defined benefit plan This plan is also governed by a trust deed which ensures that its finances and governance are independent from those of the Experian plc Group The pension cost recognised in the profit and loss account represented the employer's contributions incurred in respect of that plan

1 Accounting policies (continued)

Pension costs and post retirement benefits (continued)

The cost of providing other post retirement benefits for pensioners, such as healthcare, is recognised on a basis similar to that adopted for defined benefit pensions

Pension assets and obligations at 31 March 2012 and 31 March 2011 are now separately reported in the balance sheet, net of related deferred tax

Foreign currency translation

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

Interest

Interest receivable and payable is recognised on an accruals basis

Dividends

Dividend income from subsidiary undertakings is recognised when subsidiaries have paid interim dividends or have proposed and authorised final dividends

Interim dividends paid are recognised in the financial statements when they are paid

Intangible assets

Intangible assets comprise goodwill, databases which are used by customers, and deferred development costs of commercially exploitable systems

Purchased goodwill, being the difference between the fair value of consideration paid and the fair value of assets and liabilities acquired, is capitalised and amortised over its estimated useful life, up to a maximum of twenty years Immediate provision is made for permanent diminution in value

Databases comprise the data purchase and data capture costs of internally developed databases, for use by clients to determine the credit worthiness and purchasing patterns of individuals and companies These costs are capitalised as development costs in accordance with Statement of Standard Accounting Practice ('SSAP') 13 The databases are regularly updated, and their costs are amortised on a straight line basis over a period of three to five years

Deferred development expenditure comprises the product development costs of commercially exploitable systems, to the extent they are recoverable Such costs, which are amortised on a straight line basis over the anticipated product life, normally three to five years, relate to clearly defined projects for which the expenditure is separately identifiable

In accordance with the requirements of FRS 11, the carrying value of intangible assets is subject to ongoing impairment reviews

Other research and development costs relating to minor product enhancements and developments are expensed in the year in which they are incurred

Tangible assets

Tangible fixed assets are recorded at cost less accumulated depreciation Cost includes the original purchase price of the asset and attributable costs to bring it to its working condition for its intended use Depreciation is provided at rates calculated to write off the cost, less estimated residual value, of each asset on a straight line basis over its expected useful life, as follows

Freehold buildings	-	50 years
Short leasehold properties	-	Over the remaining period of the lease
Plant and machinery	-	3 to 10 years
Fixtures and fittings	-	3 to 10 years

Investments

Investments in group undertakings are valued at cost less any provisions necessary for permanent diminution in value Provisions have been calculated by reference to the higher of net realisable value and value-in use Value-in-use calculations generally use a pre-tax discount rate of 10 5%, reflecting the Group's weighted average cost of capital for its UK & Ireland operating segment

Experian Limited

Notes to the financial statements for the year ended 31 March 2012 (continued)

1 Accounting policies (continued)

Leased assets

Payments made under operating leases are charged to the profit and loss account on a straight line basis over the period of the lease

Trade debtors

Trade debtors are initially recognised at fair value and subsequently measured at this value less any provision for impairment A provision for impairment of debtors is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of debts Such evidence is based primarily on the pattern of cash received compared to the terms upon which the debt is contracted

The amount of the provision is the difference between the carrying amount and the value of estimated future cash flows Any charge or credit in respect of such provisions is recognised in the profit and loss account within other operating charges The cost of any irrecoverable debtors not included in the provision is recognised in the profit and loss account immediately within other operating charges Subsequent recoveries of any amounts previously written off are credited in the profit and loss account within other operating charges

Deferred tax

Deferred tax has been recognised as a liability or asset if transactions have occurred at the balance sheet date that give rise to an obligation to pay more, or a right to pay less, tax in the future A deferred tax asset is not recognised to the extent that the transfer of economic benefits in the future is uncertain Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date Deferred tax assets and liabilities recognised have not been discounted

Provisions for liabilities

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation, and the amount has been reliably estimated

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability When discounting is used, the increase in the provision due to the passage of time is recognised as an interest expense

Share-based payments

Company employees participate in the Experian plc share-based compensation plans The Company treats its share-based payment arrangements as equity settled as Experian plc satisfies the awards in shares The fair value of options and shares granted is recognised as an expense after taking into account the Company's best estimate of the number of shares expected to vest The Company revises the vesting estimate at each balance sheet date Non-market performance conditions are included in the vesting estimates Expenses are incurred 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 to the award Market-based performance conditions are included in the fair value measurement on grant date and are not revised for actual performance Fair value takes account of dividend equivalents paid at vesting Accordingly, cash flows in respect of such items are separately recognised directly as movements in total shareholders' funds

Critical accounting estimates, judgments and assumptions

In preparing the financial statements, management is required to make estimates and assumptions that affect the reported amount of turnover, 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 estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below

Pension benefits

The present value of the defined benefit assets and obligations depends on factors that are determined on an actuarial basis using a number of assumptions

Experian Limited

Notes to the financial statements for the year ended 31 March 2012 (continued)

1 Accounting policies (continued)

The assumptions used in determining the defined benefit assets and obligations and net pension costs include the expected long-term rate of return on the plan assets and the discount rate Any changes in these assumptions may impact on the amounts disclosed in the financial statements

The expected return on plan assets is calculated by reference to the plan investments at the balance sheet date and is a weighted average of the expected returns on each main asset type based on market yields available on these asset types at the balance sheet date

The Company determines the appropriate discount rate at the end of each year This is the interest rate used to calculate the present value of estimated future cash outflows expected to be required to settle the defined benefit obligations In determining the discount rate, the Company has considered the prevailing market yields of high-quality sterling corporate bonds that have terms to maturity consistent with the estimated average term of the related pension liability In determining the discount rate, management has accordingly derived an appropriate discount rate by consideration of an AA rated corporate bond yield curve and the estimated future cash outflows

The Experian Pension Scheme is a multi-employer plan and covers former employees of legacy Group companies who are not directly linked to either the Company or Experian Finance plc At 31 March 2011, the liabilities in respect of these plan members were allocated based on the relative liabilities of active members employed by each of the Company and Experian Finance plc with the assets split in proportion with the total liabilities after this adjustment During the year ended 31 March 2012, it was decided that the Company, as the employer of the majority of plan members, should recognise all the relevant obligations and assets in its financial statements The gains and losses separately reported in the year ended 31 March 2012 in the Company's financial statements reflect this adjustment Details of the total multi-employer plan are set out on pages 134 to 138 of the Experian plc 2012 annual report

Other key assumptions for defined benefit obligations and pension costs are based in part on market conditions at the relevant balance sheet dates and additional information is disclosed in note 25

2 Turnover

An analysis of profit before tax by class of business has not been given under SSAP 25 since Experian plc publishes segmental information in accordance with IFRS 8 Turnover is predominantly with UK clients and customers

Significant turnover in markets other than the UK	2012 £m	2011 £m
Australia	**6 0**	4 7
Turkey	**3.4**	3 3
Nordics	**1.8**	2 3
Central Europe	**1.3**	0 8

Turnover by class of business	2012 £m	2011 £m
Credit Services	**127.4**	117 4
Decision Analytics	**125.2**	114 6
Marketing Services	**65.4**	64 3
Interactive	**74.2**	74 9
Other	**7.0**	4 6
	399.2	375 8

Experian Limited

Notes to the financial statements for the year ended 31 March 2012 (continued)

3 Staff costs and numbers

Staff costs	**2012 £m**	2011 £m
Wages and salaries	**149.5**	144 0
Social security costs	**15.7**	14 8
Share-based payments, including related social security costs (note 26)	**7.0**	7 8
Other pension costs (note 25)	**10.8**	(1 8)
	183.0	164 8

Staff costs include £1 4m (2011 £1 6m) of severance costs in connection with restructuring Other pension costs for 2011 are arrived at after taking account of an exceptional gain in respect of the defined benefit pension plan of £15 2m this is further explained in note 7

Monthly average staff numbers (including directors)	**2012 Number**	2011 Number
Development and delivery	**2,362**	**2,174**
Administrative	**264**	**243**
Distribution and sales	**434**	**411**
	3,060	**2,828**

4 Directors' remuneration

	2012 £m	2011 £m
Aggregate emoluments (excluding employer's pension contributions)	**2.3**	1 8

Four (2011 four) of the nine (2011 eight) directors who held office in the year were remunerated by other Experian plc Group companies It is not practicable to allocate a charge for the services of three (2011 four) of these between the Group companies they serve Some expense allowances are paid and a management recharge is received in respect of the remaining director, and these are included in the above aggregate emoluments (2011 £nil)

Retirement benefits have accrued to six (2011 six) of the directors who held office in the year under a defined benefit pension plan Three (2011 none) accrued benefits under a defined contribution pension plan

Highest paid director	**2012 £'000**	2011 £'000
Emoluments (excluding employer's pension contributions)	**807**	**765**
Defined benefit pension plan – accrued pension at year end	**153**	**138**

In addition to the above amounts, four directors, including the highest paid (2011 three, not including the highest paid), exercised options over Experian plc ordinary shares, realising total gross gains of £2,750,000 (2011 £904,000) on sales of those shares Awards in respect of Experian plc ordinary shares were released to eight directors, including the highest paid (2011 six, including the highest paid), under long-term incentive plans

Experian Limited

Notes to the financial statements
for the year ended 31 March 2012 (continued)

5 Other interest receivable and similar income

	2012 £m	2011 £m
Interest receivable from other group undertakings	**8.8**	12 3
Bank deposit interest	**0.2**	0 2
Expected return on pension plan assets (note 25)	**29.8**	32 4
	38.8	44 9

6 Interest payable and similar charges

	2012 £m	2011 £m
Bank overdrafts	**0.2**	0 2
Interest payable to other group undertakings	**27.9**	17 9
Foreign exchange losses on intra group financing	**0.1**	0 9
Foreign exchange losses on bank financing	**-**	0 4
Unwinding of discount on long term liabilities	**0.2**	0 4
Interest expense on pension plan liabilities (note 25)	**23.6**	28 4
Effect of restriction of recognition of pension asset (note 25)	**3.0**	-
	55.0	48 2

Experian Limited

Notes to the financial statements for the year ended 31 March 2012 (continued)

7 Profit on ordinary activities before tax

Profit on ordinary activities before tax is stated after charging/(crediting)

	2012 £m	2011 £m
Depreciation of owned tangible fixed assets (note 11)	**10.4**	10 5
Amortisation of intangible fixed assets (note 10)	**30.1**	24 2
Depreciation and other amounts written off tangible and intangible fixed assets	**40 5**	34 7
Research and development	**1.7**	2 2
Fees payable to the auditor for the audit of the Company's financial statements	**0 2**	0 2
Operating lease rentals – plant and machinery	**9 8**	2 5
Operating lease rentals – other (property)	**12.0**	11 0
Loss on the disposal of part of the database marketing activities	**-**	5 4
Loss on the disposal of fixed assets	**0 3**	1 4
Charge for impairment of intangible fixed assets (note 10)	**0 5**	-
Charge for impairment of fixed asset investments (note 12)	**12.7**	15 2
Profit on sale of fixed asset investment (note 13)	**(2.9)**	-
Charge/(credit) for impairment of amounts due by subsidiary undertakings	**-**	(3 7)
Gain in respect of defined benefit pension plan	**-**	(15 2)

The gain of £15 2m in respect of the defined benefit pension plan in 2011 arose as a consequence of a change by the UK Government to the index required to be used in determining increases for benefits accrued in respect of past service (as further described in note 25) There was no corporation tax or deferred tax charge impact on the Company attributable to this gain

There was no corporation tax or deferred tax charge impact attributable to the impairment charges or credits detailed above

Experian Limited

Notes to the financial statements
for the year ended 31 March 2012 (continued)

8 Tax on profit on ordinary activities

Analysis of charge/(credit) for the year

	2012 £m	2011 £m
Current tax:		
UK corporation tax on the profit for the year	-	-
Overseas tax	**1.5**	0 3
Total current tax	**1.5**	0 3
Deferred tax:		
Origination and reversal of timing differences	**(0.8)**	3 1
Impact of reduction in corporation tax rate	**1.1**	1 2
Adjustments in respect of prior years	**4.0**	(5 2)
Total deferred tax	**4.3**	(0 9)
Tax on profit on ordinary activities	**5.8**	(0 6)

Factors affecting the total current tax charge/(credit) for the year

The current tax charge for the year is lower (2011 lower) than the standard rate of UK corporation tax of 26% (2011 28%) The differences are explained below

	2012 £m	2011 £m
Profit on ordinary activities before tax	**198.1**	89 5
Profit on ordinary activities before tax multiplied by the standard rate of UK corporation tax	**51.5**	25 1
Effects of		
Overseas tax paid	**1 5**	0 3
Income not taxable	**(35.0)**	(4 3)
Expenses not deductible for tax purposes	**10.6**	14 6
Other timing differences	**0.8**	(3 1)
Group relief claimed without payment of consideration	**(27 9)**	(32 3)
Current tax charge for the year	**1 5**	0 3

Experian Limited

Notes to the financial statements for the year ended 31 March 2012 (continued)

8 Tax on profit on ordinary activities (continued)

The directors have considered the tax effect of UK to UK transfer pricing legislation on non interest bearing intra-group loans and are satisfied that any associated tax charge/(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 reflected in these financial statements as the net impact on both the tax charge and net assets is £nil (2011 £nil)

Factors affecting future tax liabilities

In the foreseeable future, the Company's tax liability will continue to be influenced by the nature of its income and expenditure, the ability of its parent group to surrender UK tax losses to it, and could be affected by changes in UK tax law

The main rate of UK corporation tax was reduced to 26% from 1 April 2011 and to 24% from 1 April 2012 A reduction to 23% with effect from 1 April 2013 was substantively enacted on 3 July 2012 A further proposed reduction will reduce it to 22% from 1 April 2014, but has not yet been substantively enacted

Accordingly, the calculation of the Company's deferred tax balance at 31 March 2012 (see note 20) has not reflected any of the expected reductions still to be substantively enacted by that date, and the calculation at 31 March 2011 has not reflected any of those reduced future tax rates still to be substantively enacted by 31 March 2011 If the deferred tax balance had reflected the changes outlined above it would have resulted in a reduction in the Company's deferred tax asset of approximately £1 1m (2011 £1 9m) and a reduction in the pension deferred tax liability of approximately £0 9m (2011 £1 2m)

9 Dividends

Interim dividends paid in the year	**2012** **£m**	2011 £m
First interim dividend of £244 92 per share paid 1 July 2011	**120.0**	-
Second interim dividend of £122 46 per share paid 5 March 2012	**60.0**	-
	180.0	-

Experian Limited

Notes to the financial statements for the year ended 31 March 2012 (continued)

10 Intangıble assets

	Goodwıll	Databases	Deferred development expendıture	Total
	£m	£m	£m	£m
Cost				
At 1 Aprıl 2011	69 8	88 4	93 9	252 1
Addıtıons	40 6	5 9	37 4	83 9
Dısposals	-	-	(13 1)	(13 1)
Transfers to other group companıes	-	(1 3)	(29 6)	(30 9)
At 31 March 2012	**110.4**	**93.0**	**88.6**	**292.0**
Amortısatıon				
At 1 Aprıl 2011	31 2	72 5	41 6	145 3
Charge for the year	13 3	6 0	10 8	30 1
Specıfic ımpaırment charge	-	-	0 5	0 5
Dısposals	-	-	(13 1)	(13 1)
Transfers to other group companıes	-	-	(1 0)	(1 0)
At 31 March 2012	**44 5**	**78.5**	**38.8**	**161.8**
Net book amount				
At 31 March 2012	**65.9**	**14.5**	**49 8**	**130.2**
At 31 March 2011	38 6	15 9	52 3	106 8

The ıncrease ın the cost of goodwıll ın the year relates to the transfers of trades and assets from Garlık Lımıted, Rıskdısk Ltd and, L M Group Ltd, as descrıbed ın notes 12 and 27

Experian Limited

Notes to the financial statements for the year ended 31 March 2012 (continued)

11 Tangible assets

	Freehold buildings	Short leasehold properties	Plant and machinery, fixtures and fittings	Total
	£m	£m	£m	£m
Cost				
At 1 April 2011	2 7	-	97 6	100 3
Additions	-	-	11 3	11 3
Disposals	-	-	(6 9)	(6 9)
Transfers from other group companies	-	0 2	0 5	0 7
Transfers to other group companies	-	-	(1 4)	(1 4)
At 31 March 2012	**2.7**	**0.2**	**101 1**	**104.0**
Depreciation				
At 1 April 2011	0 7	-	66 7	67 4
Charge for the year	0 1	-	10 3	10 4
Disposals	-	-	(6 2)	(6 2)
Transfers from other group companies	-	0 1	0 4	0 5
At 31 March 2012	**0 8**	**0.1**	**71.2**	**72.1**
Net book amount				
At 31 March 2012	**1.9**	**0.1**	**29.9**	**31.9**
At 31 March 2011	2 0	-	30 9	32 9

Experian Limited

Notes to the financial statements
for the year ended 31 March 2012 (continued)

12 Investments – shares in group undertakings

	£m
Cost	
At 1 April 2011	800 1
Acquisition expenditure, including related acquisition expenses	69 0
Transfers to goodwill	(30 6)
Other transfers	(0 3)
At 31 March 2012	**838.2**
Provisions for impairment	
At 1 April 2011	591 3
Charge for the year	12 7
At 31 March 2012	**604.0**
Net book amount	
At 31 March 2012	**234.2**
At 31 March 2011	208 8

On 25 July 2011 the Company bought, for cash of £22 5m, 100% of the issued shares of L M Group Ltd, whose main subsidiary was Riskdisk Ltd, a credit reference agency Riskdisk Ltd became a direct subsidiary of Experian Limited on 28 October 2011 when Experian Limited acquired its share capital from L M Group Ltd for cash

On 28 November 2011 the Company announced it had reached agreement to buy 100% of the issued shares of 192Business Limited, providers of identity verification and fraud screening services That transaction was completed on 29 February 2012 for a provisional cash consideration of £26 4m

On 23 December 2011 the Company purchased, for a provisional cash consideration of £16 0m, 100% of the issued shares of Garlik Limited, a provider of web technology On the same date it purchased the remaining 36% holding of shares in Tozan Limited which it did not already own, for cash of £4 1m

With effect from the close of business on 30 March 2012, L M Group Ltd, Riskdisk Ltd, Scorex (UK) Limited, and Garlik Limited transferred their businesses, undertakings and assets to the Company The Company has undertaken to assume, satisfy and discharge the debts and liabilities of these companies This resulted in the transfers of £30 6m at that date from the carrying values of the investments in the related companies to goodwill (see note 11)

Impairment charges were raised in the year ended 31 March 2012 against the carrying values of investments in three subsidiary undertakings and included charges of £12 7m (2011 £15 2m) following the Company receiving dividends from certain of its subsidiaries which no longer trade

Experian Limited

Notes to the financial statements
for the year ended 31 March 2012 (continued)

12 Investments – shares in group undertakings (continued)

The principal subsidiary undertakings as at the year end are listed below The Company directly owns 100% of their voting shares They are incorporated and registered in England and Wales and except where indicated otherwise they have the same activity as the Company All subsidiaries draw up their financial statements to 31 March

QAS Limited

192Business Limited

Experian SURBS Investments Limited (whose trade is to hold investments to secure pension benefits)

FootFall Limited (whose trade is to provide pedestrian counting systems)

Other subsidiary undertakings, whose results or financial position in the opinion of the directors are not considered to have principally affected the figures shown in these financial statements, are listed below All are wholly-owned and except where indicated, their voting shares are directly held, and they are incorporated and registered in England and Wales

	Incorporated in	**Trade/status**
Catalist Unlimited (formerly Catalist Limited)		Non-trading
Checkability Ltd		Non-trading
ClarityBlue, Inc (indirectly held)	USA	Non-trading
Credit League Limited		Non-trading
Experian Integrated Marketing Limited		Non-trading
Experian Integrated Marketing Holdings Limited		Non-trading
Experian International Unlimited		Non-trading
Experian Holdings EURL	France	Non-trading
Experian Intact Limited		Non-trading
Experian Northern Ireland Limited	Northern Ireland	Credit referencing
Experian Services (2009) Limited (formerly FN Services Limited)		Non-trading
FootFall France Sarl (indirectly held)	France	Counting systems
Garlik Limited		Non-trading
Hitwise UK Limited		Non-trading
International Communication & Data Limited		Non-trading
L M Group Ltd		Non-trading
Riskdisk Ltd		Non-trading
Scorex (UK) Limited		Non-trading
Tallyman Limited		Non-trading
Tallyman Australia Pty Limited (indirectly held)	Australia	Non-trading
Techlightenment Ltd		Marketing services
The pH Group Limited		Non-trading
Tozan Limited		Investment holding
United MailSolutions Limited		Non-trading

13 Investments – other investments

	2012 £m	2011 £m
Shares in unlisted companies	-	1 9
Loans to unlisted companies	-	2 0
	-	3 9

The 2011 investment in shares was a holding of 19% in the issued ordinary shares of Sky IQ Limited, an unlisted UK company, stated at cost The loans were made to the same company, were unsecured, earned interest at 2% above Bank of England base rate, and were repayable immediately should either the Experian plc Group or the British Sky Broadcasting Group PLC Group ("Sky") cease to be a shareholder in Sky IQ Limited The shares were purchased by Sky on 1 July 2011 and the loans repaid on the same date

14 Stocks

Stocks in 2011 were finished goods, valued at the lower of cost and net realisable value

15 Debtors – amounts falling due within one year

	2012 £m	2011 £m
Trade debtors	**84.1**	77 4
Amounts owed by group undertakings	**59.9**	74 0
Less Impairment provisions against amounts owed by group undertakings	-	(11 1)
	59.9	62 9
Other debtors, including tax	**4 4**	0 3
Prepayments and accrued income	**28.9**	27 1
Deferred tax (note 20)	**13 4**	16 5
	190 7	184 2

All amounts owed by group undertakings are unsecured, interest free, and repayable on demand

The impairment provisions shown above at 31 March 2011 were fully utilised in the year ended 31 March 2012

16 Debtors – amounts falling due after more than one year

Amounts falling due after more than one year at 31 March 2011 comprised amounts owed by group undertakings This was an unsecured loan which was due for repayment on 18 October 2012 and earned interest at six month sterling LIBOR less 0 25% The loan was repaid on 1 March 2012

Experian Limited

Notes to the financial statements for the year ended 31 March 2012 (continued)

17 Creditors – amounts falling due within one year

	2012 £m	2011 £m
Trade creditors	**30 3**	27 4
Amounts owed to group undertakings	**306 7**	1,344 4
Other creditors including tax and social security	**17.9**	11 6
Accruals and deferred income	**81.1**	83 5
	436.0	1,466 9

Included in the amounts owed to group undertakings is £248 9m (2011 £1,254 2m) which carries interest at sterling one month LIBOR + 0 75% Other amounts so owed are interest free All are unsecured and repayable on demand

18 Creditors – amounts falling due after more than one year

Creditors falling due after more than one year at 31 March 2011 comprised amounts owed to group undertakings This was an unsecured loan which was due for repayment on 31 March 2013, and which bore interest at 5% per annum It was repaid on 30 March 2012

19 Provisions for liabilities

	Restructuring provisions £m
At 1 April 2011	4 5
Amount utilised/paid in the year	(1 8)
Amount released in the year	(0 8)
Unwinding of discount	0 2
At 31 March 2012	**2.1**

A provision was raised in March 2007 against anticipated future costs of withdrawal from credit card and loan account processing By 31 March 2012, the remaining related provision was £nil (2011 £0 4m)

In the year ended 31 March 2008 Experian Limited announced a programme of cost-efficiency measures At 31 March 2012, the remaining related provision was £0 3m (2011 £0 4m) This provision is expected to be utilised by 31 March 2013

In the year ended 31 March 2010 a further programme of restructuring and cost-efficiency measures was announced At 31 March 2012, the remaining related provision was £nil (2011 £0 8m)

In the year ended 31 March 2011, a further provision was raised in connection with the divestment of part of the Company's database marketing activities At 31 March 2012 the remaining related provision was £1 8m (2011 £2 9m), which is mainly attributable to an onerous lease on property now surplus to the Company's requirements this provision is expected to be fully utilised by December 2014

Experian Limited

Notes to the financial statements for the year ended 31 March 2012 (continued)

20 Deferred tax

	Pension assets - deferred tax (liability) £m	Pension obligations - deferred tax asset £m	Net pension deferred tax (liability) £m	Other Deferred tax asset £m
At 1 April 2011	(14 4)	4 0	(10 4)	16 5
Statement of total recognised gains and losses	0 9	(0 2)	0 7	-
Profit and loss account	(1 1)	(0 1)	(1 2)	(3 1)
At 31 March 2012	**(14.6)**	**3.7**	**(10.9)**	**13.4**

There is no deferred tax unprovided at 31 March 2012 or 2011 The deferred tax asset was attributable to

	2012 £m	2011 £m
Depreciation in excess of capital allowances	**13.0**	15 1
Other short term timing differences	**0.4**	1 4
	13.4	16 5

21 Called up share capital

Allotted and fully paid	2012	2011
489,950 (2011 489,950) ordinary shares of £1 each	**£489,950**	£489,950

22 Reserves

	Share premium account £m	Capital redemption reserve £m	Profit and loss account £m	Total £m
At 1 April 2011	17 2	-	148 6	165 8
Profit for the financial year	-	-	192 3	192 3
Credit in respect of share incentive plans	-	-	5 9	5 9
Other movements regarding share incentive plans	-	-	(1 1)	(1 1)
Actuarial gain on pension plan	-	-	0 8	0 8
Deferred tax in respect of items taken directly to equity	-	-	0 7	0 7
Interim dividends paid	-	-	(180 0)	(180 0)
At 31 March 2012	**17 2**	-	**167.2**	**184.4**

The balance on the Company's capital redemption reserve amounted to £5,000 (2011 £5,000)

Experian Limited

Notes to the financial statements for the year ended 31 March 2012 (continued)

23 Reconciliation of movements in shareholders' funds

	2012 £m	2011 £m
Profit for the financial year	**192.3**	90 1
Interim dividends paid	**(180.0)**	-
Credit in respect of share incentive plans	**5.9**	6 9
Other movements regarding share incentive plans	**(1.1)**	-
Actuarial gain on pension plan	**0 8**	58 6
Deferred tax in respect of actuarial gain and other items taken directly to equity	**0.7**	(15 6)
Net increase in shareholders' funds	**18.6**	140 0
Opening shareholders' funds	**166.3**	26 3
Closing shareholders' funds	**184 9**	166 3

24 Financial commitments

There were no significant capital commitments contracted but not provided for (2011 None)

Annual commitments under non-cancellable operating leases were

	2012 Land and buildings £m	**2012 Plant and machinery £m**	2011 Land and buildings £m	2011 Plant and machinery £m
Expiring within one year	**1.8**	**0 3**	2 7	0 1
Expiring in between one and five years	**4.0**	**3 7**	1 2	1 2
Expiring in more than five years	**-**	**1.9**	2 9	1 3
	5.8	**5.9**	6 8	2 6

At 31 March 2011 there was a put option in existence over the 36% holding in Tozan Limited shares which the Company did not then own If the put had been valued then by reference to the amount which Experian Limited would have expected to pay for this stake and the application of a pre-tax discount rate of 10 5%, its estimated value at 31 March 2011 would have been £5 5m There is no such option in existence at 31 March 2012

25 Pension and post retirement benefits

A full actuarial funding valuation of the Experian Pension Scheme ("the plan") is carried out every three years with interim reviews in the intervening years The latest full actuarial funding valuation of the plan was carried out as at 31 March 2010 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 salaries, will increase as members approach retirement due to the ageing active membership of the plan

Experian Limited

Notes to the financial statements
for the year ended 31 March 2012 (continued)

25 Pension and post retirement benefits (continued)

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

Arrangements are in place securing such unfunded pension benefit arrangements by granting charges to an independent trustee over independently managed portfolios of marketable securities owned by Experian SURBS Investments Limited The amount of assets so charged is adjusted periodically to keep the ratio of assets charged to the discounted value of the accrued benefits secured close to the corresponding ratio in the Experian Pension Scheme

The Company operates a plan which provides post-retirement healthcare benefits to certain retired employees of the Experian plc Group and their dependant relatives Under this plan, the Company has undertaken to meet the cost of post-retirement healthcare for all eligible former employees who retired prior to 1 April 1994 and their dependants

The following disclosures required by FRS 17 relate to the Company's defined benefit pension arrangements and post-retirement healthcare obligations

The valuations used at 31 March 2012 have been based on the most recent actuarial valuations, updated to take account of the requirements of FRS 17 The assumptions for discount rate, salary increases and mortality, used to calculate the present value of the defined benefit obligation, 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

Principal actuarial assumptions	**2012**	2011
	%	%
Discount rate	**5.2**	5 6
Rate of inflation based on RPI	**3.3**	3 5
Rate of inflation based on CPI	**2.3**	2 8
Rate of increase for salaries	**4.3**	4 5
Rate of increase for pensions in payment – element based on RPI	**3.1**	3 4
Rate of increase for pensions in payment – element based on CPI (where cap is 5%)	**2.3**	2 8
Rate of increase for pensions in payment – element based on CPI (where cap is 3%)	**1.9**	2 3
Rate of increase for pensions in deferment	**2.3**	2 8
Rate of increase for medical costs	**6.8**	7 5
Expected return on plan assets	**5.7**	6 6

The differing rates of increase for pensions in payment shown above reflect the separate arrangements applying to different groups of Experian's pensioners

The main financial assumption is the real discount rate, i e the excess of the discount rate over the rate of inflation If this assumption increased by 0 1%, the Company's defined benefit obligation would decrease by approximately £9 2m or 1 9% (2011 £8 3m or 1 9%), and the annual current service cost would decrease by approximately £0 2m or 4 0% % (2011 £0 2m or 4 0%) The discount rate is based on the market yields on high quality corporate bonds of appropriate currency and term to the defined benefit obligations (which in this case have a maturity of approximately 18 years)

25 Pension and post retirement benefits (continued)

Mortality assumptions	**2012**	2011
Average life expectation on retirement at age 65 in normal health	**Years**	Years
For a male currently aged 65	**22.5**	22 2
For a female currently aged 65	**23.6**	23 4
For a male currently aged 50	**23.5**	23 4
For a female currently aged 50	**24.8**	24 7

The FRS 17 valuation assumes that mortality will be in line with the standard SAPS S1 All tables based on each member's year of birth, with a 95% adjustment factor applied to the underlying mortality rates for males and a 106% adjustment factor for females and projected in accordance with the Continuous Mortality Investigation ('CMI') 2009 Core Projection Model with a long term improvement rate of 1% pa This includes a specific allowance for anticipated future improvements in life expectancy (CMI projections)

An increase in assumed life expectancy of 0 1 years would increase the Company's defined benefit obligations by approximately £1 9m, or 0 4% (2011 £1 7m or 0 4%)

The valuation in respect of post retirement healthcare additionally assumes a rate of future increase for medical costs If this rate of increase increased by 1 0%, the obligation in respect of unfunded arrangements would increase by approximately £0 7m, or 9 9 % (2011 £0 7m, or 4 5%)

Summary of assets of the Company's defined benefit plan and their expected rates of return

	2012	**2012**	2011	2011
	Fair value	**Expected long-term rate of return**	Fair value	Expected long-term rate of return
	£m	**% p.a.**	£m	% p a
Equities	**261.9**	**7.4**	264 4	7 9
Fixed interest securities	**254.8**	**4.0**	184 5	4 9
Other	**29.0**	**7.4**	25 7	7 9
	545.7	**5.7**	474 6	6 6

Equities and fixed interest securities have been stated at their current bid prices

The overall expected long-term rate of return has been determined by considering the mix of returns anticipated on the assets held in accordance with the current investment policy Expected yields on fixed interest securities are based on gross redemption yields as at the balance sheet date Expected returns on equities and other assets reflect the long-term real rates of return experienced in the respective markets

Experian Limited

Notes to the financial statements
for the year ended 31 March 2012 (continued)

25 Pension and post retirement benefits (continued)

Amounts recognised in the Company's balance sheet	**2012 £m**	2011 £m
Market value of the funded plan's assets	**545.7**	474 6
Present value of the funded plan's liabilities	**(471.2)**	(419 2)
Surplus in the funded plan	**74 5**	55 4
Effect of restriction of recognition of surplus	**(13.8)**	-
Surplus in the funded plan recognised in the balance sheet	**60 7**	55 4
Less deferred tax liability (note 20)	**(14 6)**	(14 4)
Net pension asset - Net surplus in the funded plan recognised in the balance sheet	**46 1**	41 0
Present value of unfunded pension arrangements	**(15.3)**	(15 5)
Less deferred tax asset (note 20)	**3 7**	4 0
Net pension liability - retirement benefit obligations recognised in the balance sheet	**(11 6)**	(11 5)

Of the surplus in respect of the funded plan at 31 March 2012, £13 8m (2011 £nil) is not recoverable in accordance with the provisions of FRS 17 and has accordingly not been recognised in these financial statements Of this amount, £3 0m (2011 £nil) has been recognised in the profit and loss account and £10 8m (2011 £nil) has been recognised in the statement of total recognised gains and losses

Reconciliation of fair value of plan assets	**2012 £m**	2011 £m
At 1 April	**474.6**	485 1
Expected return on plan assets	**29.8**	32 4
Actuarial gains on assets arising on assumption of legacy obligations	**44.2**	-
Other actuarial gains/(losses) arising on assets	**11.8**	(31 9)
Total actuarial gains/(losses) on assets	**56 0**	(31 9)
Contributions paid by the Company	**5.9**	5 8
Employee contributions	**2.0**	2 3
Actual benefits paid	**(22.6)**	(19 1)
At 31 March	**545.7**	474 6

The actual return on the plan assets in the year was a gain of £85 8m (2011 gain of £0 5m)

Experian Limited

Notes to the financial statements for the year ended 31 March 2012 (continued)

25 Pension and post retirement benefits (continued)

Reconciliation of present value of plan liabilities (including unfunded pension arrangements)	2012 £m	2011 £m
At 1 April	434.7	523 7
Current service cost	4.4	5 1
Interest cost	23.6	28 4
Employee contributions	2.0	2 3
Actuarial loss on obligations on assumption of legacy obligations	39.5	-
Other actuarial losses/(gains) arising on obligations	4.9	(90 5)
Total actuarial losses/(gains) on obligations	44.4	(90 5)
Actual benefits paid	(22.6)	(19 1)
Credit in respect of past service costs	-	(15 2)
At 31 March	486.5	434 7

Movements in amounts recognised in the balance sheet	2012 £m	2011 £m
At 1 April	39.9	(38 6)
Amounts recognised in the profit and loss account	(1.2)	14 1
Actuarial gains arising in connection with the revised allocation of legacy obligations	4.7	-
Other actuarial gains arising on assets and obligations	6.9	58 6
Effect of restriction of recognition of pension surplus	(10.8)	-
Actuarial gains recognised in the statement of total recognised gains and losses	0.8	58 6
Contributions paid	5.9	5 8
At 31 March	45.4	39 9

Amounts (charged against)/credited to operating profit	2012 £m	2011 £m
Current service cost	(4.4)	(5 1)
Credit in respect of past service costs	-	15 2
Total (charge against)/credit to operating profit	(4.4)	10 1

Experian Limited

Notes to the financial statements for the year ended 31 March 2012 (continued)

25 Pension and post retirement benefits (continued)

In 2011 the UK Government changed to the use of the CPI rather than the RPI as the inflation measure for determining the minimum pension increases to be applied to statutory index-linked features of retirement benefits As a result of using the lower CPI rate, there is a reduction in obligations As a result of using the lower CPI rate, there was a reduction in obligations with a credit in respect of past service costs of £15.2m recognised in the profit and loss account in 2011 and a further reduction in obligations of £10 3m within the actuarial gains on liabilities recognised within the statement of total recognised gains and losses for 2011

Amounts credited/(charged) to interest	**2012 £m**	2011 £m
Expected return on pension plan assets (note 5)	**29.8**	32 4
Interest on pension plan liabilities (note 6)	**(23.6)**	(28 4)
Effect of restriction of recognition of pension surplus (note 6)	**(3.0)**	-
Net return	**3.2**	4 0

Analysis of the amount recognised in the statement of total recognised gains and losses	**2012 £m**	2011 £m
Actuarial gains/(losses) on plan assets	**56.0**	(31 9)
Experience (losses)/gains arising on plan liabilities	**(40 5)**	68 0
Changes in the assumptions underlying the present value of the plan liabilities	**(3.9)**	22 5
Effect of restriction of recognition of pension surplus	**(10.8)**	-
Total gain recognised in the statement of total recognised gains and losses	**0.8**	58 6

The cumulative amount of actuarial gains recognised in the statement of total recognised gains and losses is a gain of £5 3m (2011 £4 5m)

Summary of gains and losses in respect of legacy obligations	**2012 £m**	2011 £m
Gains arising on assets	**44.2**	-
Loss arising on obligations	**(39.5)**	-
Gain arising in connection with revised allocation of legacy obligations	**4.7**	-

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Notes to the financial statements for the year ended 31 March 2012 (continued)

25 Pension and post retirement benefits (continued)

Amounts for current and previous four years	2012 £m	2011 £m	2010 £m	2009 £m	2008 £m
Plan assets	**545.7**	474 6	485 1	367 6	188 6
Defined benefit obligations	**486.5**	434 7	523 7	394 0	161 0
Surplus/(deficit)[1]	**59.2**	39 9	(38 6)	(26 4)	27 6
Experience adjustments on plan assets - amount	**56.0**	(31 9)	101 1	(53 2)	(16 6)
Experience adjustments on plan liabilities - amount	**40.5**	68 0	0 7	0 1	(8 7)
Total amount recognised in the statement of total recognised gains and losses[1]	**11.6**	58 6	(14 0)	(44 0)	3 9

[1] *Amounts for 2012 are given before the restriction of recognition of surplus imposed by FRS 17*

Contributions expected to be paid into the Experian Pension Scheme during the next financial year are £5 6m by the Company and £2 2m by its employees

Defined contribution plan

The total pension cost for this plan was £6 4m (2011 £7 5m) At the end of the year, contributions of £1 0m (2011 £0 9m), representing unpaid contributions, were outstanding

26 Share-based payment arrangements

The information below relates to options and awards held by the Company's employees over Experian plc shares

Options

Summary of arrangements and information relating to option valuation techniques

	Experian Share Option Plan	Experian Sharesave Plans
Nature	Grant of options[1]	'Save as you earn' plans
Vesting conditions		
- Service period	3 years[2]	3 or 5 years
- Performance/Other	n/a	Saving obligation over the vesting period
Maximum term	10 years	3 5 or 5 5 years
Method of settlement	Share distribution	Share distribution
Expected departures (at grant date)	5%	3 years – 30%[3] 5 years – 50%[3]
Option exercise price calculation[4]	Market price over the 3 dealing days preceding the grant	20% discount to market price over 3 dealing days preceding the grant

[1] *No options have been granted under the Experian Share Option Plan since the year ended 31 March 2010*

[2] *Options with a four year service period were granted on the Experian plc demerger and vested in October 2010*

[3] *The stated values for expected departures include an assumption about participants who will not meet the savings requirement of the plans*

[4] *Three day averages are calculated by taking middle market quotations of an Experian plc share from the London Stock Exchange daily official list*

Notes to the financial statements for the year ended 31 March 2012 (continued)

26 Share-based payment arrangements (continued)

Black-Scholes models are used to determine an appropriate value of the option grants and inputs into the models are calculated as follows

Expected volatility - Calculated as an average over the expected life with an assumption made for volatility in each year of the expected life Volatility in the first year is assumed to be the same as implied volatility on grant date Volatility for year 4 and beyond is assumed to remain at the long run historic volatility Linear interpolation is assumed for years 2 and 3

Expected dividend yield - Yields are based on the current consensus analyst forecast figures at the time of grant The inputs utilised are an average of the forecast over the next three financial years

Risk-free rate - Rates are obtained from the UK Government Debt Management Office website which details historical prices and yields for gilt strips

Expected option life to exercise - Options under the Experian Share Option Plan vest after 3 years and their expected life is 4 years Options under the Experian Sharesave Plans have expected lives of either 3 or 5 years

Share price on grant date - The closing price on the day the options were granted

Option exercise price - Exercise price as stated in the terms of each award

The weighted average estimated fair values and the inputs into the Black-Scholes models are as follows

	Experian Sharesave Plans	
	2012	2011
Share price on grant date (£)	**7.73**	6 14
Exercise price (£)	**6.18**	4 85
Expected volatility (%)	**29.2**	24 6
Expected dividend yield (% per annum)	**2.7**	2 8
Risk free interest rate (% per annum)	**1.4**	1 8
Expected option life to exercise (years)	**3.5**	3 7
Fair value (£)	**2.04**	1 52

No options were granted under the Experian Share Option Plan in either of the two years ended 31 March 2012

Experian Limited

Notes to the financial statements
for the year ended 31 March 2012 (continued)

26 Share-based payment arrangements (continued)

Reconciliation of movement in the number of options

	Number of options 2012 '000	Weighted average exercise price 2012 £	Number of options 2011 '000	Weighted average exercise price 2011 £
Outstanding at 1 April	**6,583**	**4.18**	7,311	4 23
New grants	**708**	**6.18**	383	4 85
Forfeitures	**(483)**	**4.59**	(260)	3 83
Exercises	**(2,590)**	**3.81**	(1,770)	4 73
Cancellations	**(55)**	**5.01**	(77)	3 53
Lapses	**(17)**	**3.95**	(24)	5 03
Transfers of employees during the year	**110**	**4.31**	462	4 67
Transfers in of employees with businesses	**77**	**4.43**	558	4 05
Outstanding at 31 March	**4,333**	**4.67**	6,583	4 18
Exercisable at 31 March	**1,028**	**4.73**	1,687	4 96

The weighted average share price of options exercised during the year was £7 84 (2011 £6 90)

Options outstanding at the end of the year

Options outstanding at the end of the year had the following exercise prices and remaining contractual lives

At 31 March 2012

Range of exercise prices £	Number of options '000	Weighted average exercise price £	Weighted average remaining lives: Expected years	Weighted average remaining lives: Contractual years
2 00 to 3 00	**414**	**2 90**	**1.3**	**1.8**
3 00 to 4 00	**578**	**3.56**	**0.7**	**2 7**
4 00 to 5 00	**2,185**	**4 68**	**1.1**	**5 6**
5 00 to 6 00	**460**	**5 35**	**0.1**	**4 4**
6 00 to 7 00	**696**	**6 18**	**2.5**	**3 1**

26 Share-based payment arrangements (continued)

At 31 March 2011

Range of exercise prices £	Number of options '000	Weighted average exercise price £	Weighted average remaining lives: Expected years	Weighted average remaining lives: Contractual years
2 00 to 3 00	1,373	2 90	1 1	1 5
3 00 to 4 00	1,255	3 45	1 3	5 3
4 00 to 5 00	3,014	4 67	1 8	6 5
5 00 to 6 00	851	5 36	0 2	5 2
6 00 to 7 00	90	6 14	0 5	6 1

Share awards

Summary of arrangements and information relating to share grant valuation techniques

	Experian Performance Share Plan	**Experian Co-Investment Plan**
Nature	Grant of shares	Grant of shares[3]
Vesting conditions		
- Service period	3 years	4 years
- Performance/Other	50% or 75% - Benchmark profit performance of Experian plc Group assessed against specified targets[1]	50% - Benchmark profit performance of Experian plc Group assessed against specified targets[4]
	50% or 25% - Distribution percentage determined by ranking Total Shareholder Return ('TSR') relative to a comparator group[2]	50% - cumulative operating cash flow[4]
Expected outcome of meeting performance criteria (at grant date)	Benchmark profit – 91% TSR – Range from 30% to 61%	Benchmark profit 100% Cumulative operating cash flow – 100%
Maximum term	3 years	3 years
Method of settlement	Share distribution	Share distribution
Expected departures (at grant date)	5%	5%

[1] *The Benchmark profit performance condition for Experian Performance Share Plan awards made in the year ended 31 March 2010 required Experian plc Group s Benchmark profit before tax (Benchmark PBT') growth to exceed 4% over a 3 year period with the condition fully satisfied by growth of 8% In the case of such awards in the year ended 31 March 2011 with performance conditions attaching, the growth percentages are 5% and 11% respectively In the case of such awards in the year ended 31 March 2012 with performance conditions attaching the growth percentages are 7% and 14% respectively The period of assessment commences at the beginning of the financial year of grant This is not a 'market-based' performance condition as defined by FRS 20 Further unconditional awards have been made since 1 April 2010 under this plan*

Experian plc Group s Benchmark PBT is defined as its profit before amortisation of acquisition intangibles, acquisition expenses goodwill impairments adjustments to contingent consideration, charges in respect of the demerger-related equity incentive plans, exceptional items, financing fair value remeasurements, tax and discontinued operations It includes the Experian plc Group's share of its continuing associates' pre-tax profits

26 Share-based payment arrangements (continued)

[2] The Experian Performance Share Plan TSR condition is considered a 'market-based' performance condition as defined by FRS 20 In valuing the awarded shares, TSR is evaluated using a Monte Carlo simulation with historic volatilities and correlations for comparator companies measured over the 3 year period preceding valuation and an implied volatility for Experian plc

[3] The grant date 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 at the date of their issue to participants

[4] The Benchmark profit performance condition (the 'profit condition') for the Experian Co-Investment Plan required Benchmark PBT growth to exceed 3% per annum over a 3 year period for the 2009 award Thereafter the profit condition only attaches to 50% of the award with the performance condition for the balance based on Experian plc Group s cumulative operating cash flow over a three year period (the 'cash flow condition') For the 2010 award, the profit condition required Benchmark PBT growth to exceed 5% per annum over a 3 year period with the condition fully satisfied by growth of 11% per annum For the 2011 award, the profit condition requires Benchmark PBT growth to exceed 7% per annum over a 3 year period with the condition fully satisfied by growth of 14% per annum For the 2010 award the cash flow condition required cumulative operating cash flow of US$2,900m over a 3 year period with the condition fully satisfied by cumulative operating cash flow of US$3 300m For the 2011 award, the cash flow condition requires cumulative operating cash flow of US$3,000m over a 3 year period with the condition fully satisfied by cumulative operating cash flow of US$3,400m The period of assessment commences at the beginning of the financial year of grant These are not 'market-based' performance conditions as defined by FRS 20

Share grants are valued by reference to the market price on the day of award with no modification made 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 grant date and are not revised for actual performance

Movement in number of share awards outstanding - Number of awards	**2012 '000**	2011 '000
At 1 April	**4,073**	3,371
New grants	**811**	1,167
Forfeitures	**(1,144)**	(28)
Vesting	**(2,012)**	(773)
Transfers of employees during the year	**17**	109
Transfers in of employees with businesses	**23**	227
At 31 March	**1,768**	4,073

Share awards granted during the year had a weighted average award fair value of £8 01 (2011 £6 32)

Summary of the total cost of share-based compensation, included in staff costs	**2012 £m**	**2011 £m**
Share options	**1 6**	2 1
Share awards	**4 3**	4 8
Expense recognised (all equity settled)	**5.9**	6 9
Related social security costs	**1.1**	0 9
Total expense recognised (all equity settled)	**7.0**	7 8

27 Acquisitions – transfers of trades

With effect from the close of business on 30 March 2012, L M Group Ltd, Riskdisk Ltd, Garlik Limited and Scorex (UK) Limited transferred their businesses, undertakings and assets to the Company The Company has undertaken to assume, satisfy and discharge their debts and liabilities

The book values of the assets transferred, and reconciliation to their fair values, are set out below

	L M Group Ltd	Riskdisk Ltd	Garlik Limited	Scorex (UK) Limited	**Total**
	£m	£m	£m	£m	**£m**
Intangible fixed assets	-	-	-	-	-
Tangible fixed assets	0 2	-	-	-	**0.2**
Debtors	0 1	1 3	0 3	1 0	**2.7**
Cash	-	0 1	0 1	-	**0.2**
Creditors	(0 4)	(4 9)	(0 8)	(1 3)	**(7.4)**
Total book values of net liabilities acquired	**(0.1)**	**(3.5)**	**(0.4)**	**(0.3)**	**(4.3)**
Goodwill adjustments	-	3 8	6 2	-	10 0
Fair values and consideration (receivable)/payable	**(0.1)**	**0 3**	**5.8**	**(0.3)**	**5 7**

28 Related party transactions

At 31 March 2011 the Company owed £0 2m to Serasa SA, a Brazilian non-wholly-owned subsidiary of the Experian plc Group Other than that sum, no significant amounts were owed to non-wholly-owned subsidiaries of the Experian plc Group at 31 March 2012 or 31 March 2011

As part of its activities, the Company provides some rights to intellectual property, and IT development and support services, to certain subsidiaries of the Experian plc Group It either charges those companies software licence fees, royalties or recharges costs to them for the services provided Amounts owed by group undertakings shown in note 15 include the following sums due by companies under common control but which are not wholly-owned subsidiaries of the Experian plc Group

	2012	2011
	£m	£m
Experian South Africa (Pty) Limited (South Africa)	**4.6**	3 1
Experian Service Maroc (Morocco)	**1.9**	2 9
Serasa SA (Brazil)	**0.6**	-
Experian Decision Analytics Korea Co Limited (Korea)	**0.6**	0 4
Experian Bureau de Credito SA (Spain)	**0.2**	-

Experian Limited

Notes to the financial statements
for the year ended 31 March 2012 (continued)

28 Related party transactions (continued)

Charges made to those and other non-wholly owned companies are as summarised below

	2012 £m	2011 £m
Experian Bureau de Credito SA - recharges of costs and software licence fees	**1.7**	0.3
Experian Decision Analytics Srl - royalties and recharges of costs	**2.4**	1.5
Experian South Africa (Pty) Limited – royalties and recharges of costs	**3.3**	2.7
Serasa SA – software licence fees	**0.3**	-
Experian Decision Analytics Korea Co Limited - royalties	**0.2**	-
Experian Service Maroc - software maintenance fees and cost recharges	-	0.7

29 Ultimate parent undertaking and controlling party

The immediate parent undertaking is Experian Group Limited, incorporated in England and Wales

The Company's ultimate parent undertaking and controlling party, Experian plc, is incorporated in Jersey It is the parent company of the smallest and largest group in which the results of the Company for the year were consolidated and copies of its consolidated financial statements may be obtained from the Company Secretary, Experian plc, Newenham House, Northern Cross, Malahide Road, Dublin 17, Ireland