

Experian Limited

Annual report and financial statements
for the year ended 31 March 2013

Company registered number 00653331



Experian Limited

Annual report and financial statements for the year ended 31 March 2013

Contents	Page
Directors and other information	1
Directors' report	2
Auditors' report	5
Profit and loss account	6
Statement of total recognised gains and losses	7
Balance sheet	8
Notes to the financial statements	9

Experian Limited

Directors and other information

Directors

C A Boundy
R W Fiddis
W J S Floyd
R C Gallagher
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

The directors present their report and the audited financial statements for the year ended 31 March 2013. The Company's registered number is 00653331.

Principal activity

The Company is a member of the Experian plc Group ('the Group') and is its main operating subsidiary in the UK. Its 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's Credit Services business saw turnover grow by 8.9% over 2012 levels. Whilst the UK lending market remained somewhat subdued, the Company benefited from its focus on superior data quality, new product introductions and as it further penetrated non-financial client segments, including the small and medium enterprise market. It also made progress on key investment initiatives during the year. For example, it has re-platformed its credit bureau, which will enhance its competitive position, and it introduced BusinessIQ, the Group's global business information platform, which has been well received by clients.

Turnover from the Decision Analytics business was broadly flat. There was good growth in software sales to support loan origination and customer management activity which partially offset a decline in collections software, affected by a strong prior-year comparable. There was also further progress across identity and fraud management.

Market conditions in the Marketing Services business remained fairly weak throughout the year, and whilst it delivered growth in email marketing this was offset by soft demand for data and data quality services.

Consumer Services saw strong growth, with turnover up 12.4%. It benefited from growth in memberships, and uplift in average revenue per member as it enhanced its CreditExpert brand and the functionality of the product.

The 2013 results included receipts of £129.3m (2012: £134.4m) of dividends from subsidiaries, including significant interim dividends of £100.0m (2012: £120.0m) from QAS Limited, a subsidiary. Impairment charges of £41.0m (2012: £12.7m) were recognised against the carrying value of certain of the Company's investments in subsidiaries, including those which no longer trade and from which dividends were received.

The 2013 results and the financial position at the year end were considered satisfactory by the directors. With effect from 28 March 2013, 192business Ltd, the UK operations of QAS Limited, Experian Northern Ireland Limited and Techlightenment Ltd transferred their businesses, undertakings and assets to the Company.

The external commercial environment is expected to remain competitive for the remainder of 2013 and 2014, but the directors remain confident that the current level of performance should be maintained in future.

On 2 April 2013, the Company transferred some of its intellectual property, comprising various decisioning software systems, to Experian Technology Limited, a fellow subsidiary undertaking, for a cash consideration of £37.8m, realising a profit on its disposal of £37.2m. Experian Technology Limited will own the rights to the intellectual property involved, licence its continued use and sale by the Company and charge the Company royalties for that use.

Going concern

The financial statements have been prepared on a going concern basis, notwithstanding the net current liabilities of £348.5m at 31 March 2013 (2012: £243.8m). 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 26 to 31 of the Experian plc 2013 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.

Experian Limited

Directors' report (continued)

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 44 to 51 of the Experian plc 2013 annual report, and note 8 to the Experian plc 2013 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 Group's key performance indicators is given on pages 24 and 25 of the Experian plc 2013 annual report

Results and dividends

The profit for the financial year was £159.2m (2012: £192.3m). An interim dividend of £244.92 per share, with a total cost of £120.0m, was paid on 11 September 2012. A second interim dividend of £102.05 per share, with a total cost of £50.0m, was paid on 11 January 2013. In the previous financial year total interim dividends were paid of £367.38 per share (cost £180.0m). The directors do not recommend payment of a final dividend (2012: £nil).

Directors

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

C A Boundy
R W Fiddis
W J S Floyd (appointed 11 July 2013)
R C Gallagher
B J Herb (resigned 3 July 2013)
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 the Group, maintained liability insurance and third party indemnification provisions (which are a qualifying third party indemnity provision for the purposes of the Companies Act 2006) for its directors and the company secretary.

Acquisitions and disposals

On 11 September 2012, as a result of a Group reorganisation, the Company bought from Tozan Limited, for a cash consideration of £9.9m, the entire issued share capital of Techlightenment Ltd and it became a direct subsidiary.

Research and development

Research and, particularly, continued product development have been a high priority in driving growth. However, under revised arrangements introduced in the Group, many development costs are now borne by Experian Technology Limited, which owns the rights to the related intellectual property and licences 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 2013, the amount due to trade creditors by the Company represented 43 (2012: 42) days of purchases.

Charitable donations

The Company made donations to UK charitable organisations amounting to £136,000 (2012: £58,000). Details of the Group's donations can be found on page 53 of the Experian plc 2013 annual report.

Corporate responsibility

The Company carefully considers its impact on society and reports its progress in the annual Experian plc Group Corporate Responsibility report, which can be found at www.experiancrreport.com. Particular priorities are community, environment and employees. Environmental management for the Group is the responsibility of an Environmental Steering Group. 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.

Experian Limited

Directors' report (continued)

The Company first obtained ISO 14001 certification for its environmental management system in 2003 and has obtained its annual re-certification in 2013. The Company was ranked 18th out of 2,087 companies in the UK 2011/12 Carbon Reduction Commitment ("CRC") Energy Efficiency scheme league table, up from 26th in the previous year. The CRC is a mandatory scheme that covers all UK large businesses and public sector organisations, rating their environmental performance.

Employee involvement

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.

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, and an internal social networking and intranet site.

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.

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.

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

3 September 2013

Auditors' report

Independent auditors' report to the members of Experian Limited

We have audited the financial statements of Experian Limited for the year ended 31 March 2013, 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 2013 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
4 September 2013

Experian Limited

Profit and loss account

for the year ended 31 March 2013

	Notes	2013 £m	2012 £m
Turnover	2	421.3	399.2
Own work capitalised		30.9	41.8
		452.2	441.0
Staff costs	3	(192.7)	(183.0)
Depreciation and other amounts written off tangible and intangible fixed assets	7	(56.4)	(40.5)
Other operating charges		(131.1)	(124.9)
Operating profit		72.0	92.6
Income from shares in group undertakings		129.3	134.4
Other interest receivable and similar income	5	30.2	38.8
Amounts written off investments – impairment charges against investments in subsidiary undertakings	12	(41.0)	(12.7)
Interest payable and similar charges	6	(31.4)	(55.0)
Profit on ordinary activities before tax	7	159.1	198.1
Tax on profit on ordinary activities	8	0.1	(5.8)
Profit on ordinary activities after tax and for the financial year	19	159.2	192.3

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 2013

	Notes	2013 £m	2012 £m
Profit for the financial year		159.2	192.3
Actuarial gains arising in connection with the revised allocation of legacy defined benefit pension obligations	22	-	4.7
Other actuarial (losses)/gains arising on pension assets and obligations	22	(34.4)	6.9
Effect of release/(restriction) of recognition of pension surplus	22	13.8	(10.8)
Total actuarial (losses)/gains on pension plan	22	(20.6)	0.8
Deferred tax in respect of actuarial (losses)/gains	17	5.0	(0.2)
Impact of reduction in future corporation tax rate on deferred tax attributable to pension surplus		0.3	0.9
Total recognised gains relating to the year		143.9	193.8

Experian Limited

Balance sheet

at 31 March 2013

	Notes	2013 £m	2012 £m
Fixed assets			
Intangible assets	10	233.5	130.2
Tangible assets	11	42.4	31.9
Investments – shares in group undertakings	12	217.3	234.2
		493.2	396.3
Current assets			
Debtors	13	213.3	190.7
Cash at bank and in hand		4.1	1.5
		217.4	192.2
Current liabilities			
Creditors – amounts falling due within one year	14	(565.9)	(436.0)
Net current liabilities		(348.5)	(243.8)
Total assets less current liabilities		144.7	152.5
Creditors – amounts falling due after more than one year	16	(2.0)	-
Provisions for liabilities	15	(4.1)	(2.1)
Net assets excluding net pension assets and liabilities		138.6	150.4
Net pension asset – defined benefit funded pension plan	22	37.5	46.1
Net pension liability – unfunded pension arrangements	22	(12.4)	(11.6)
Net assets including net pension assets and liabilities		163.7	184.9
Capital and reserves			
Called up share capital	18	0.5	0.5
Share premium account	19	17.2	17.2
Other reserves – capital redemption reserve	19	-	-
Profit and loss account	19	146.0	167.2
Total shareholders' funds	20	163.7	184.9

The financial statements on pages 6 to 37 were approved by the board of directors on 3 September 2013 and signed on its behalf by



M E Pepper
Director

Experian Limited

Notes to the financial statements

for the year ended 31 March 2013

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 £348.5m at 31 March 2013 (2012: £243.8m). 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 25.

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 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 22.

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 Group. The pension cost recognised in the profit and loss account represented the employer's contributions incurred in respect of that plan.

Experian Limited

Notes to the financial statements (continued)

for the year ended 31 March 2013

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 are 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 on a straight line basis over its estimated useful life, between two and ten years, but principally five 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 costs attributable to bringing 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 9.0%, reflecting the Group's weighted average cost of capital for its UK and Ireland operating segment.

Experian Limited

Notes to the financial statements (continued)

for the year ended 31 March 2013

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 (continued)

for the year ended 31 March 2013

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. 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 144 to 147 of the Experian plc 2013 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 22.

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	2013 £m	2012 £m
Australia	6.3	6.0
Turkey	1.8	3.4
Nordic countries	1.1	1.8
Central Europe	0.5	1.3
Turnover by class of business	2013 £m	2012 £m
Credit Services	138.8	127.4
Decision Analytics	126.8	125.2
Marketing Services	65.7	65.4
Consumer Services (formerly named Interactive)	83.4	74.2
Other	6.6	7.0
	421.3	399.2

Experian Limited

Notes to the financial statements (continued)

for the year ended 31 March 2013

3 Staff costs and numbers

Staff costs	2013 £m	2012 £m
Wages and salaries	157.7	149.5
Social security costs	17.3	15.7
Share-based payments, including related social security costs (note 23)	6.8	7.0
Other pension costs (note 22)	10.9	10.8
	192.7	183.0

Within wages and salaries reported above are £3.8m of exceptional severance costs (2012: £nil) related to restructuring (see note 7) and £2.0m (2012: £1.4m) of other severance costs. Other pension costs are stated after taking credit for a pension settlement or curtailment gain of £0.4m (2012: £nil) (see note 22).

Monthly average staff numbers (including directors)	2013 Number	2012 Number
Development and delivery	2,368	2,362
Administrative	261	264
Distribution and sales	449	434
	3,078	3,060

4 Directors' remuneration

	2013 £m	2012 £m
Aggregate emoluments (excluding employer's pension contributions)	2.8	2.3

Four (2012: four) of the seven (2012: nine) 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 (2012: three) 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.

Retirement benefits have accrued to two (2012: six) of the directors who held office in the year under a defined benefit pension plan. Three (2012: three) accrued benefits under a defined contribution pension plan.

Highest paid director	2013 £'000	2012 £'000
Emoluments (excluding employer's pension contributions)	1,217	807
Defined benefit pension plan – accrued pension at year end	-	153

In addition to the above amounts, six directors, including the highest paid (2012: four, including the highest paid), exercised options over Experian plc ordinary shares, realising total gross gains of £2,118,000 (2012: £2,750,000) on sales of those shares. Awards in respect of Experian plc ordinary shares were released to four directors, excluding the highest paid (2012: eight, including the highest paid), under long-term incentive plans.

Experian Limited

Notes to the financial statements (continued)

for the year ended 31 March 2013

5 Other interest receivable and similar income

	2013	2012
	£m	£m
Interest receivable from other group undertakings	-	8.8
Bank deposit interest	0.2	0.2
Expected return on pension plan assets (note 22)	30.0	29.8
	30.2	38.8

6 Interest payable and similar charges

	2013	2012
	£m	£m
Bank overdrafts	0.2	0.2
Interest payable to other group undertakings	6.0	27.9
Foreign exchange losses on intra group financing	0.2	0.1
Foreign exchange losses on bank financing	0.4	-
Unwinding of discount on long term liabilities	0.1	0.2
Interest expense on pension plan liabilities (note 22)	24.5	23.6
Effect of restriction of recognition of pension asset (note 22)	-	3.0
	31.4	55.0

Experian Limited

Notes to the financial statements (continued)

for the year ended 31 March 2013

7 Profit on ordinary activities before tax

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

	2013 £m	2012 £m
Depreciation of owned tangible fixed assets (note 11)	11.4	10.4
Amortisation of intangible fixed assets (note 10)	38.2	30.1
Exceptional impairment of goodwill (note 10)	4.0	-
Charge for loss on retirement of intangible fixed assets	2.8	-
Total depreciation and other amounts written off tangible and intangible fixed assets	56.4	40.5
Fees payable to the auditor for the audit of the Company's financial statements	0.2	0.2
Operating lease rentals – plant and machinery	9.1	9.8
Operating lease rentals – other (property)	9.3	12.0
Loss on the disposal of fixed assets	-	0.3
Restructuring costs	4.5	-
Charge for impairment of intangible fixed assets	-	0.5
Charge for impairment of fixed asset investments (note 12)	41.0	12.7
Profit on sale of fixed asset investment	-	(2.9)

A charge for loss on the retirement of intangible fixed assets of £2.1m in 2013 resulted from the retirement of a software platform earlier than previously planned. A further charge of £0.7m in 2013 was expensed in respect of other deferred development expenditure previously capitalised.

Restructuring costs of £4.5m (including £3.8m of employee severance costs and a related £0.4m pension settlement or gain – see note 3) were expensed in the year as part of a cost efficiency programme announced by the Group in November 2012. These costs relate to the restructuring of the organisation and are expected to deliver significant cost savings going forward.

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

Experian Limited

Notes to the financial statements (continued)

for the year ended 31 March 2013

8 Tax on profit on ordinary activities

Analysis of (credit)/charge for the year

	2013 £m	2012 £m
Current tax:		
UK corporation tax on the profit for the year	-	-
Adjustments in respect of prior years	0.3	-
Overseas tax	1.4	1.5
Total current tax	1.7	1.5
Deferred tax:		
Origination and reversal of timing differences	(1.3)	(0.8)
Impact of reduction in corporation tax rate	0.7	1.1
Adjustments in respect of prior years	(1.2)	4.0
Total deferred tax	(1.8)	4.3
Tax on profit on ordinary activities	(0.1)	5.8

Factors affecting the total current tax charge for the year

The current tax charge for the year is lower (2012: lower) than the standard rate of UK corporation tax of 24% (2012: 26%). The differences are explained below:

	2013 £m	2012 £m
Profit on ordinary activities before tax	159.1	198.1
Profit on ordinary activities before tax multiplied by the standard rate of UK corporation tax	38.2	51.5
Effects of:		
Adjustment in respect of prior years	0.3	-
Overseas tax paid	1.4	1.5
Income not taxable	(31.1)	(35.0)
Expenses not deductible for tax purposes	18.9	10.6
Other timing differences	0.9	0.8
Group relief claimed without payment of consideration	(26.9)	(27.9)
Current tax charge for the year	1.7	1.5

Experian Limited

Notes to the financial statements (continued)

for the year ended 31 March 2013

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 (2012: £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 from 26% to 24% from 1 April 2012 and to 23% from 1 April 2013. Two further changes will reduce it to 20% from 1 April 2015.

The calculation of the Company's deferred tax balance at 31 March 2013 (see note 17) has not reflected the reductions still to be substantively enacted by that date, and the calculation at 31 March 2012 has not reflected any of the reduced future tax rates still to be substantively enacted by 31 March 2012. 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 £2.1m (2012: £1.1m) and a reduction in the pension deferred tax liability of approximately £1.0m (2012: £0.9m).

9 Dividends

Interim dividends paid in the year	2013 £m	2012 £m
First interim dividend of £244.92 per share paid 11 September 2012	120.0	-
Second interim dividend of £102.05 per share paid 11 January 2013	50.0	-
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
	170.0	180.0

Experian Limited

Notes to the financial statements (continued)

for the year ended 31 March 2013

10 Intangible assets

	Goodwill	Databases	Deferred development expenditure	Total
	£m	£m	£m	£m
Cost				
At 1 April 2012	110.4	93.0	88.6	292.0
Additions	117.7	6.6	21.0	145.3
Disposals	-	(26.2)	(4.5)	(30.7)
Transfers from other group companies	-	1.5	4.6	6.1
At 31 March 2013	228.1	74.9	109.7	412.7
Amortisation				
At 1 April 2012	44.5	78.5	38.8	161.8
Charge for the year	21.2	5.5	11.5	38.2
Exceptional impairment charge	4.0	-	-	4.0
Disposals	-	(26.2)	(1.7)	(27.9)
Transfers from other group companies	-	0.7	2.4	3.1
At 31 March 2013	69.7	58.5	51.0	179.2
Net book amount				
At 31 March 2013	158.4	16.4	58.7	233.5
At 31 March 2012	65.9	14.5	49.8	130.2

The increase in the cost of goodwill in the year relates to the transfers of trades and assets from QAS Limited, Experian Northern Ireland Limited, 192business Ltd and Techlightenment Ltd, as described in notes 12 and 24

Following a re-appraisal of the trade formerly operated by Techlightenment Ltd, a specific impairment charge of £4.0m was made against the cost of the goodwill relating to that trade

Experian Limited

Notes to the financial statements (continued)

for the year ended 31 March 2013

11 Tangible assets

	Freehold buildings	Short leasehold properties	Plant and machinery, fixtures and fittings	Total
	£m	£m	£m	£m
Cost				
At 1 April 2012	2.7	0.2	101.1	104.0
Additions	-	-	17.9	17.9
Disposals	(0.2)	-	(17.1)	(17.3)
Transfers from other group companies	12.1	-	2.7	14.8
Transfers between asset categories	-	(0.1)	0.1	-
At 31 March 2013	14.6	0.1	104.7	119.4
Depreciation				
At 1 April 2012	0.8	0.1	71.2	72.1
Charge for the year	0.1	-	11.3	11.4
Disposals	(0.2)	-	(16.8)	(17.0)
Transfers from other group companies	8.3	-	2.2	10.5
At 31 March 2013	9.0	0.1	67.9	77.0
Net book amount				
At 31 March 2013	5.6	-	36.8	42.4
At 31 March 2012	1.9	0.1	29.9	31.9

The net book amount of plant and machinery, fixtures and fittings at 31 March 2013 includes £2.8m attributable to assets held under finance leases (2012: £nil)

Experian Limited

Notes to the financial statements (continued)

for the year ended 31 March 2013

12 Investments – shares in group undertakings

	£m
Cost	
At 1 April 2012	838.2
Acquisition expenditure, including related acquisition expenses	137.8
Transfers to goodwill	(113.7)
At 31 March 2013	862.3
Provisions for impairment	
At 1 April 2012	604.0
Charge for the year	41.0
At 31 March 2013	645.0
Net book amount	
At 31 March 2013	217.3
At 31 March 2012	234.2

Acquisition expenditure comprised the following amounts

£1.6m of final payments were made during the year in respect of two acquisitions, Garlik Limited and 192 business Ltd, made late in the year ended 31 March 2012, together with £0.3m of associated acquisition expenses

On 11 September 2012, as a result of a Group reorganisation, the Company bought from Tozan Limited, for a cash consideration of £9.9m, the entire issued share capital of Techlightenment Ltd and it became a direct subsidiary

On 11 January 2013 the Company subscribed £126.0m for additional shares in Experian International Unlimited

With effect from the close of business on 28 March 2013, Experian Northern Ireland Limited, Techlightenment Ltd and 192business Ltd transferred their businesses, undertakings and assets to the Company, as did the UK operations of QAS Limited. The Company has undertaken to assume, satisfy and discharge the debts and liabilities of these businesses. This resulted in the transfers of £113.7m at that date from the carrying values of the investments in the related companies to goodwill (see note 10)

Impairment charges were raised in the year ended 31 March 2013 against the carrying values of investments in six (2012: three) subsidiary undertakings and included charges of £31.1m (2012: £12.7m) following the Company receiving dividends from certain of its subsidiaries which no longer trade

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 draw up their financial statements to 31 March

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

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

Experian International Unlimited (whose trade is intra-group financing)

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 in note 28

Experian Limited

Notes to the financial statements (continued)

for the year ended 31 March 2013

13 Debtors

	2013 £m	2012 £m
Trade debtors	111.9	84.1
Amounts owed by group undertakings	49.4	59.9
Other debtors, including tax	-	4.4
Prepayments and accrued income	34.9	28.9
Deferred tax (note 17)	17.1	13.4
	213.3	190.7

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

14 Creditors – amounts falling due within one year

	2013 £m	2012 £m
Bank loans and overdrafts – finance lease obligations	0.6	-
Trade creditors	31.6	30.3
Amounts owed to group undertakings	381.5	306.7
Other creditors including tax and social security	22.0	17.9
Accruals and deferred income	130.2	81.1
	565.9	436.0

Included in the amounts owed to group undertakings is £288.8m (2012: £248.9m) which carries interest at sterling one month LIBOR + 0.75%. Other amounts so owed are interest free. All are unsecured and repayable on demand.

15 Provisions for liabilities

Restructuring provisions	£m
At 1 April 2012	2.1
New provisions created in the year	2.0
Amount utilised/paid in the year	(0.9)
Unwinding of discount	0.1
Provisions for charges assumed on trades transferred on 28 March 2013	0.8
At 31 March 2013	4.1

Experian Limited

Notes to the financial statements (continued)

for the year ended 31 March 2013

15 Provisions for liabilities (continued)

In the year ended 31 March 2008 Experian Limited announced a programme of cost-efficiency measures. At 31 March 2013, the remaining related provision was less than £0.1m (2012: £0.3m).

In the year ended 31 March 2011, a provision was raised in connection with the divestment of part of the Company's database marketing activities. At 31 March 2013 the remaining related provision was £1.4m (2012: £1.8m), and 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.

In the year ended 31 March 2013, a new provision of £2.0m was raised in connection with a further programme of cost-efficiency measures. This all remained at 31 March 2013, but is expected to be mostly utilised within the next financial year and fully utilised within the next two financial years.

16 Creditors – amounts falling due after more than one year

Amounts falling due after more than one year comprise obligations under finance leases payable within five years.

17 Deferred tax

	Pension assets - deferred tax (liability)	Pension obligations - deferred tax asset	Net pension deferred tax (liability)	Other Deferred tax asset
	£m	£m	£m	£m
At 1 April 2012	(14.6)	3.7	(10.9)	13.4
Statement of total recognised gains and losses	5.5	(0.2)	5.3	-
Profit and loss account	(2.1)	0.2	(1.9)	3.7
At 31 March 2013	(11.2)	3.7	(7.5)	17.1

There is no deferred tax unprovided at 31 March 2013 or 2012. The deferred tax asset was attributable to:

	2013 £m	2012 £m
Depreciation in excess of capital allowances	16.1	13.0
Other short term timing differences	1.0	0.4
	17.1	13.4

18 Called up share capital

Allotted and fully paid	2013 £	2012 £
489,950 ordinary shares of £1 each	489,950	489,950

Experian Limited

Notes to the financial statements (continued)

for the year ended 31 March 2013

19 Reserves

	Share premium account £m	Capital redemption reserve £m	Profit and loss account £m	Total £m
At 1 April 2012	17.2	-	167.2	184.4
Profit for the financial year	-	-	159.2	159.2
Credit in respect of share incentive plans	-	-	5.6	5.6
Other movements regarding share incentive plans	-	-	(0.7)	(0.7)
Actuarial loss on pension plan	-	-	(20.6)	(20.6)
Deferred tax in respect of items taken directly to equity	-	-	5.3	5.3
Interim dividends paid	-	-	(170.0)	(170.0)
At 31 March 2013	17.2	-	146.0	163.2

The balance on the Company's capital redemption reserve amounted to £5,000 (2012 £5,000)

20 Reconciliation of movements in shareholders' funds

	2013 £m	2012 £m
Profit for the financial year	159.2	192.3
Interim dividends paid	(170.0)	(180.0)
Credit in respect of share incentive plans	5.6	5.9
Other movements regarding share incentive plans	(0.7)	(1.1)
Actuarial (loss)/gain on pension plan	(20.6)	0.8
Deferred tax in respect of actuarial (loss)/gain and other items taken directly to equity	5.3	0.7
Net (decrease)/increase in shareholders' funds	(21.2)	18.6
Opening shareholders' funds	184.9	166.3
Closing shareholders' funds	163.7	184.9

Experian Limited

Notes to the financial statements (continued)

for the year ended 31 March 2013

21 Financial commitments

There were no significant capital commitments contracted but not provided for at either balance sheet date

Annual commitments under non-cancellable operating leases were

	2013	2013	2012	2012
	Land and buildings	Plant and machinery	Land and buildings	Plant and machinery
	£m	£m	£m	£m
Expiring within one year	1.6	0.6	1.8	0.3
Expiring in between one and five years	4.3	3.7	4.0	3.7
Expiring in more than five years	-	1.9	-	1.9
	5.9	6.2	5.8	5.9

22 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. The next full valuation of the plan will be carried out as at 31 March 2013.

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 2013 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.

Experian Limited

Notes to the financial statements (continued)

for the year ended 31 March 2013

22 Pension and post-retirement benefits (continued)

Principal actuarial assumptions	2013	2012
	%	%
Discount rate	4.5	5.2
Rate of inflation based on RPI	3.4	3.3
Rate of inflation based on CPI	2.4	2.3
Rate of increase for salaries	4.4	4.3
Rate of increase for pensions in payment – element based on RPI	3.1	3.1
Rate of increase for pensions in payment – element based on CPI (where cap is 5%)	2.4	2.3
Rate of increase for pensions in payment – element based on CPI (where cap is 3%)	2.0	1.9
Rate of increase for pensions in deferment	2.4	2.3
Rate of increase for medical costs	6.9	6.8
Expected return on plan assets	5.1	5.7

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 £11.3m or 2.0% (2012: £9.2m or 1.9%), and the annual current service cost would decrease by approximately £0.2m (2012: £0.2m). 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).

Mortality assumptions	2013	2012
Average life expectation on retirement at age 65 in normal health	Years	Years
For a male currently aged 65	22.5	22.5
For a female currently aged 65	23.7	23.6
For a male currently aged 50	23.6	23.5
For a female currently aged 50	24.8	24.8

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 £2.2m or 0.4% (2012: £1.9m 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 this arrangement would increase by approximately £0.7m or 9.9% (2012: £0.7m, or 9.9%).

Experian Limited

Notes to the financial statements (continued)

for the year ended 31 March 2013

22 Pension and post-retirement benefits (continued)

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

	2013	2013	2012	2012
	Fair value	Expected long-term rate of return	Fair value	Expected long-term rate of return
	£m	% p.a.	£m	% p.a.
Equities	265.6	6.9	261.9	7.4
Fixed interest securities	271.2	3.0	254.8	4.0
Other	60.6	6.8	29.0	7.4
	597.4	5.1	545.7	5.7

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.

Amounts recognised in the Company's balance sheet	2013 £m	2012 £m
Market value of the funded plan's assets	597.4	545.7
Present value of the funded plan's liabilities	(548.7)	(471.2)
Surplus in the funded plan	48.7	74.5
Effect of restriction of recognition of surplus	-	(13.8)
Surplus in the funded plan recognised in the balance sheet	48.7	60.7
Less deferred tax liability (note 17)	(11.2)	(14.6)
Net pension asset - Net surplus in the funded plan recognised in the balance sheet	37.5	46.1
Present value of unfunded pension arrangements	(16.1)	(15.3)
Less deferred tax asset (note 17)	3.7	3.7
Net pension liability - retirement benefit obligations recognised in the balance sheet	(12.4)	(11.6)

The entire surplus in respect of the funded plan at 31 March 2013 is recoverable in accordance with FRS 17 and has been recognised in these financial statements in the statement of total recognised gains and losses. At 31 March 2012 £13.8m was not considered so recoverable and therefore was not so recognised in the prior financial statements. Of that amount, £3.0m was recognised in the profit and loss account and £10.8m in the statement of total recognised gains and losses for the year then ended.

Experian Limited

Notes to the financial statements (continued)

for the year ended 31 March 2013

22 Pension and post-retirement benefits (continued)

Reconciliation of fair value of plan assets	2013 £m	2012 £m
At 1 April	545.7	474.6
Expected return on plan assets	30.0	29.8
Actuarial gains on assets arising on assumption of legacy obligations	-	44.2
Other actuarial gains arising on assets	38.2	11.8
Total actuarial gains arising on assets	38.2	56.0
Contributions paid by the Company	5.6	5.9
Employee contributions	1.8	2.0
Actual benefits paid	(23.9)	(22.6)
At 31 March	597.4	545.7

The actual return on the plan assets in the year was a gain of £68.2m (2012 gain of £85.8m)

Reconciliation of present value of plan liabilities (including unfunded pension arrangements)	2013 £m	2012 £m
At 1 April	486.5	434.7
Current service cost	3.7	4.4
Interest cost	24.5	23.6
Employee contributions	1.8	2.0
Actuarial loss on obligations on assumption of legacy obligations	-	39.5
Other actuarial losses arising on obligations	72.6	4.9
Total actuarial losses on obligations	72.6	44.4
Actual benefits paid	(23.9)	(22.6)
Settlement or curtailment gain	(0.4)	-
At 31 March	564.8	486.5

Experian Limited

Notes to the financial statements (continued)

for the year ended 31 March 2013

22 Pension and post-retirement benefits (continued)

Movements in amounts recognised in the balance sheet	2013 £m	2012 £m
At 1 April	45.4	39.9
Amounts recognised in the profit and loss account	2.2	(1.2)
Actuarial gains arising in connection with the revised allocation of legacy obligations	-	4.7
Other actuarial (losses)/gains arising on assets and obligations	(34.4)	6.9
Effect of release of (restriction) of recognition of pension surplus	13.8	(10.8)
Actuarial (losses)/gains recognised in the statement of total recognised gains and losses	(20.6)	0.8
Contributions paid	5.6	5.9
At 31 March	32.6	45.4
Amounts (charged against) operating profit	2013 £m	2012 £m
Current service cost	(3.7)	(4.4)
Settlement or curtailment gain	0.4	-
	(3.3)	(4.4)
Amounts credited/(charged) to interest	2013 £m	2012 £m
Expected return on pension plan assets (note 5)	30.0	29.8
Interest on pension plan liabilities (note 6)	(24.5)	(23.6)
Effect of restriction of recognition of pension surplus (note 6)	-	(3.0)
Net return	5.5	3.2
Analysis of the amount recognised in the statement of total recognised gains and losses	2013 £m	2012 £m
Actuarial gains on plan assets	38.2	56.0
Experience gains/(losses) arising on plan liabilities	0.2	(40.5)
Changes in the assumptions underlying the present value of the plan liabilities	(72.8)	(3.9)
Effect of release of (restriction) of recognition of pension surplus	13.8	(10.8)
Total (loss)/gain recognised in the statement of total recognised gains and losses	(20.6)	0.8

The cumulative amount of actuarial gains or losses recognised in the statement of total recognised gains and losses is a loss of £15.3m (2012 gain of £5.3m)

Experian Limited

Notes to the financial statements (continued)

for the year ended 31 March 2013

22 Pension and post-retirement benefits (continued)

Summary of gains and losses in respect of legacy obligations	2013 £m	2012 £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

Amounts for current and previous four years	2013 £m	2012 £m	2011 £m	2010 £m	2009 £m
Plan assets	597.4	545.7	474.6	485.1	367.6
Defined benefit obligations	564.8	486.5	434.7	523.7	394.0
Surplus/(deficit) ¹	32.6	59.2	39.9	(38.6)	(26.4)
Experience adjustments on plan assets - amount	38.2	56.0	(31.9)	101.1	(53.2)
Experience adjustments on plan liabilities - amount	0.2	40.5	68.0	0.7	0.1
Total amount recognised in the statement of total recognised gains and losses ¹	(20.6)	11.6	58.6	(14.0)	(44.0)

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 £4.8m by the Company and £1.9m by its employees

Defined contribution plan

The total pension cost for this plan was £7.6m (2012: £6.4m). At the end of the year, contributions of £1.2m (2012: £1.0m), representing unpaid contributions, were outstanding.

Experian Limited

Notes to the financial statements (continued)

for the year ended 31 March 2013

23 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	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% ² 5 years – 50% ²
Option exercise price calculation ³	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 The stated values for expected departures include an assumption about participants who will not meet the savings requirement of the plans

³ Three day averages are calculated by taking middle market quotations of an Experian plc share from the London Stock Exchange daily official list

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.

Experian Limited

Notes to the financial statements (continued)

for the year ended 31 March 2013

23 Share-based payment arrangements (continued)

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

	Experian Sharesave Plans	
	2013	2012
Share price on grant date (£)	8.90	7.73
Exercise price (£)	7.12	6.18
Expected volatility (%)	29.6	29.2
Expected dividend yield (% per annum)	2.5	2.7
Risk free interest rate (% per annum)	0.5	1.4
Expected option life to exercise (years)	3.5	3.5
Fair value (£)	2.29	2.04

No options were granted under the Experian Share Option Plan in either of the two years ended 31 March 2013

Reconciliation of movement in the number of options

	Number of options 2013 '000	Weighted average exercise price 2013 £	Number of options 2012 '000	Weighted average exercise price 2012 £
Outstanding at 1 April	4,333	4.67	6,583	4.18
New grants	487	7.12	708	6.18
Forfeitures	(135)	5.51	(483)	4.59
Exercises	(1,645)	4.46	(2,590)	3.81
Cancellations	(40)	6.05	(55)	5.01
Lapses	(30)	4.05	(17)	3.95
Transfers of employees during the year	-	n/a	110	4.31
Transfers in of employees with businesses	156	5.32	77	4.43
Outstanding at 31 March	3,126	5.15	4,333	4.67
Exercisable at 31 March	1,113	4.79	1,028	4.73

The weighted average market price of Experian plc shares in respect of options exercised during the year was £9.79 (2012 £7.84)

Experian Limited

Notes to the financial statements (continued)

for the year ended 31 March 2013

23 Share-based payment arrangements (continued)

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 2013

Range of exercise prices £	Number of options '000	Weighted average exercise price £	Weighted average remaining lives	
			Expected years	Contractual years
2 00 to 3 00	442	2.90	0.3	0.8
3 00 to 4 00	162	3.52	0.7	3.1
4 00 to 5 00	1,031	4.73	0.4	3.7
5 00 to 6 00	347	5.34	-	3.3
6 00 to 7 00	649	6.18	1.6	2.0
7 00 to 8 00	495	7.12	2.6	3.1

At 31 March 2012

Range of exercise prices £	Number of options '000	Weighted average exercise price £	Weighted average remaining lives	
			Expected years	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

Experian Limited

Notes to the financial statements (continued)

for the year ended 31 March 2013

23 Share-based payment arrangements (continued)

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	75% - Benchmark profit performance of Experian plc Group assessed against specified targets ¹ 25% - Distribution percentage determined by ranking Total Shareholder Return ('TSR') relative to a comparator group ²	50% - Benchmark profit performance of Experian plc Group assessed against specified targets ⁴ 50% - cumulative operating cash flow of Experian plc Group ⁴
Assumed outcome at grant date	Benchmark profit – 82% to 100% TSR – Range from 45% to 52%	Benchmark profit – 82% to 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% to 10% for conditional awards	5% to 10% for conditional awards

¹ The Benchmark profit performance conditions for Experian Performance Share Plan awards are set out below and require Experian plc Group's Benchmark profit before tax ('Benchmark PBT') growth per annum at the stated percentages over a three-year period. 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. Some unconditional awards have been made since 1 April 2010 under this plan.

Year of award	Target	Maximum
Year ended 31 March 2013	7%	14%
Year ended 31 March 2012	7%	14%
Year ended 31 March 2011	5%	11%

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.

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 assumed at the date of their issue to participants and is recognised over a four-year period.

⁴ The range of performance conditions for awards under the Experian Co-Investment Plan are set out overleaf. The Benchmark profit performance condition (the 'profit condition') requires Benchmark PBT growth at the stated percentages over a three-year period. The cumulative operating cash flow performance condition (the 'cash flow condition') is based on Experian plc Group's cumulative operating cash flow over a three-year period. These are not 'market-based' performance conditions as defined by FRS 20.

Experian Limited

Notes to the financial statements (continued)

for the year ended 31 March 2013

23 Share-based payment arrangements (continued)

Year of award	Profit condition		Cash flow condition	
	Target	Maximum	Target	Maximum
Year ended 31 March 2013	7%	14%	US\$3,700m	US\$4,100m
Year ended 31 March 2012	7%	14%	US\$3,000m	US\$3,400m
Year ended 31 March 2011	5%	11%	US\$2 900m	US\$3,300m

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	2013 '000	2012 '000
At 1 April	1,768	4,073
New grants	823	811
Forfeitures	(87)	(1,144)
Vesting	(521)	(2,012)
Transfers of employees during the year	-	17
Transfers in of employees with businesses	91	23
At 31 March	2,074	1,768

Share awards granted during the year had a weighted average award fair value of £8.91 (2012: £8.01).

Summary - total cost of share-based compensation, included in staff costs	2013 £m	2012 £m
Share options	1.0	1.6
Share awards	4.6	4.3
Expense recognised (all equity settled)	5.6	5.9
Related social security costs	1.2	1.1
Total expense recognised (all equity settled)	6.8	7.0

Experian Limited

Notes to the financial statements (continued)

for the year ended 31 March 2013

24 Acquisitions – transfers of trades

With effect from the close of business on 28 March 2013, Techlightenment Ltd, 192business Ltd and Experian Northern Ireland Limited transferred their businesses, undertakings and assets to the Company, as did the UK operations of QAS Limited. The Company has undertaken to assume, satisfy and discharge their debts and liabilities.

Reconciliations between the book values of the assets transferred and their consideration are set out below

	Techlightenment Ltd	192business Ltd	Experian Northern Ireland Limited	QAS Limited	Total
	£m	£m	£m	£m	£m
Intangible fixed assets	0.8	1.4	-	0.6	2.8
Tangible fixed assets	-	0.1	-	4.3	4.4
Debtors	1.0	2.4	0.3	24.0	27.7
Cash	-	-	-	-	-
Creditors and provisions	(1.1)	(2.2)	(0.1)	(49.0)	(52.4)
Total book values of net assets/(liabilities)	0.7	1.7	0.2	(20.1)	(17.5)
Goodwill adjustments	4.0	-	-	-	4.0
Consideration (receivable)/ payable	4.7	1.7	0.2	(20.1)	(13.5)

25 Related party transactions

No significant amounts were owed to non-wholly-owned subsidiaries of the Group at 31 March 2013 or 31 March 2012.

As part of its activities, the Company provides some rights to intellectual property, and IT development and support services, to certain subsidiaries of the 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 13 include the following sums due by subsidiaries of the Group which were not wholly-owned:

	2013 £m	2012 £m
Experian South Africa (Pty) Limited (South Africa)	7.4	4.6
Experian Service Maroc (Morocco)	2.0	1.9
Serasa SA (Brazil) (which was wholly owned by 31 March 2013)	0.8	0.6
MCI-Experian Co Ltd (formerly Experian Decision Analytics Korea Co Limited)	-	0.6
Experian Bureau de Credito SA (Spain)	-	0.2

Experian Limited

Notes to the financial statements (continued)

for the year ended 31 March 2013

25 Related party transactions (continued)

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

	2013 £m	2012 £m
Experian Bureau de Credito SA - recharges of costs and software licence fees	0.9	1.7
Experian Decision Analytics Srl - royalties and recharges of costs	0.6	2.4
Experian South Africa (Pty) Limited – royalties and management fees/ recharges	5.9	3.3
Serasa SA – software licence fees	0.3	0.3
MCI-Experian Co Ltd - royalties	0.1	0.2
Experian Service Maroc – software licence fees and cost recharges	0.9	-

26 Non-adjusting post balance sheet events

On 2 April 2013, the Company transferred some of its intellectual property, comprising various decisioning software systems, to Experian Technology Limited, a fellow subsidiary, for a cash consideration of £37.8m, realising a profit on its disposal of £37.2m. Experian Technology Limited will own the rights to the related intellectual property, licence its continued use and sale by the Company, and charge the Company royalties for that use.

On 3 May 2013 the Company invested a further £64.5m of cash consideration in exchange for the issue of additional shares in Experian International Unlimited, a subsidiary.

27 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.

Experian Limited

Notes to the financial statements (continued)

for the year ended 31 March 2013

28 Other subsidiary undertakings

Other subsidiary undertakings are wholly-owned and except where indicated, their voting shares are directly held, they draw up their financial statements to 31 March, and they are incorporated and registered in England and Wales

	Incorporated in	Trade/status
192business Ltd		Non-trading
Catalist Unlimited		Dormant
Checkability Ltd		Dormant
ClarityBlue, Inc	USA	Dormant
Credit League Limited		Dormant
Experian Holdings EURL	France	Dormant
Experian Integrated Marketing Holdings Limited		Dormant
Experian Integrated Marketing Limited		Dormant
Experian Intact Limited		Dormant
Experian Northern Ireland Limited	Northern Ireland	Non-trading
Experian Services (2009) Limited		Dormant
FootFall France Sarl (indirectly held)	France	Counting systems
Garlik Limited		Dormant
Hitwise UK Limited		Dormant
International Communication & Data Limited		Dormant
LM Group Ltd		Dormant
QAS Limited		Non-trading
Riskdisk Ltd		Dormant
Scorex (UK) Limited		Dormant
Tallyman Australia Pty Limited (indirectly held)	Australia	Non-trading
Tallyman Limited		Non-trading
Techlightenment Ltd		Non-trading
The pH Group Limited		Dormant
Tozan Limited		Dormant
United MailSolutions Limited		Dormant

192business Ltd, QAS Limited, Experian Northern Ireland Limited and Techlightenment Ltd ceased to trade with effect from the close of business on 28 March 2013