

Experian Limited

Annual report and financial statements
for the year ended 31 March 2010

Company number 653331



Experian Limited

Annual report and financial statements for the year ended 31 March 2010

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Experian Limited

Directors and other information

Directors

R W Fiddis
R C Gallagher
C M Hogg
R J Hudson
M E Pepper
C J Rutter

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 2010

The directors present their report and the audited financial statements for the year ended 31 March 2010. The Company's registered number is 653331.

Principal Activity

The Company's principal activity is to provide bureau and information services for consumer credit control, business information, direct marketing and credit account management. The Company solves complex problems through comprehensive information, expertise and ongoing partnerships, which enables clients and consumers to make critical decisions with confidence and trust.

Review of the business and future developments

2010 saw the Company maintain the level of its operating profits with those generated in 2009. The results for both years also included exceptional levels of dividend receipts from subsidiaries, but one of the direct consequences of these transactions was the recognition of a significant impairment charge in 2010 against the carrying value of certain of the Company's investments in its non-trading subsidiaries. The results for the year and the financial position at the year end were considered satisfactory by the directors. The external commercial environment is expected to remain competitive in 2010, but the directors remain confident that the current level of performance will be maintained in future.

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 34 to 37 of the Experian plc 2010 Annual Report, which does not form part of this report.

Financial risk management

The directors constantly monitor the risks and uncertainties facing the Company with particular reference to its exposure to price, credit, liquidity and cash flow risk. 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 one counterparty is subject to a limit, which is reassessed periodically.

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.

Results and dividends

The profit for the year was £19.1m (2009: £310.2m). An interim dividend of £1,020.51 per share, whose total cost amounted to £500.0m, was paid on 1 April 2009 and a further interim dividend of £204.10 per share, whose total cost amounted to £100.0m, paid on 29 October 2009 (2009: nil dividends). The directors do not recommend payment of a final dividend (2009: £nil).

Acquisitions and disposals and post balance sheet events

As part of Group reorganisations, on 18 May 2009 the Company acquired 100% of the issued share capital of Hitwise UK Limited from a fellow subsidiary of Experian plc, and on 25 March 2010 the Company acquired 100% of the issued share capital of United MailSolutions Limited from a fellow subsidiary of Experian plc.

On 30 November 2009 the Company disposed of its investment in The Future Foundation Group Limited for a cash consideration. No profit or loss arose on this transaction in the year ended 31 March 2010 as a result of impairment charges recognised by the Company of £5.1m in the year ended 31 March 2009.

Experian Limited

Directors' report for the year ended 31 March 2010 (continued)

Acquisitions and disposals and post balance sheet events (continued)

N4 Solutions Limited ceased to be a subsidiary undertaking on 7 May 2010 when the Company disposed of the majority of its shareholding in that company for a cash consideration. The remaining shareholding was sold for cash on 24 June 2010.

On 12 May 2010 Experian plc announced that it had reached agreement to divest part of its UK database marketing activities to a newly formed company business venture with British Sky Broadcasting ('Sky'). Sky holds a majority stake in this new company. The transaction completed on 30 June 2010 with the activities divested including part of the Company's direct marketing business and part of the activities of Experian Integrated Marketing Limited, one of the Company's indirectly wholly owned subsidiaries.

Directors

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

J S Fick	(resigned 31 July 2010)
R W Fiddis	
R C Gallagher	(appointed 27 May 2010)
C M Hogg	
R J Hudson	(appointed 30 September 2009)
M E Mason	(resigned 30 September 2009)
M E Pepper	
C J Rutter	

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.

Research and development

Research and development has been a high priority in driving growth, particularly in relation to product development.

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 and intranet sites. 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.

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 2010, the amount due to trade creditors by the Company represented 50 days of purchases (2009: 44 days).

Experian Limited

Directors' report for the year ended 31 March 2010 (continued)

Charitable donations

The Company made donations to UK charitable organisations amounting to £15,000 (2009 £484,000) Details of group donations can be found on page 50 of the Experian plc 2010 Annual Report

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 Experian 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 at Experian is the responsibility of an Environmental Steering Group The Company obtained ISO 14001 certification in September 2003 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

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 the profit or loss of the Company for that period In preparing these financial statements, the directors are required to

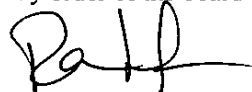
- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, 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 she or he ought to have taken as a director in order to make herself or himself aware of any relevant audit information and to establish that the auditors are aware of that information

By order of the board



R P Hanna
Company secretary

25 October 2010

Independent auditors' report to the members of Experian Limited

We have audited the financial statements of Experian Limited for the year ended 31 March 2010, 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 on page 4 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 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.

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 2010 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

28 October 2010

Experian Limited

Profit and loss account for the year ended 31 March 2010

	Notes	2010 £m	2009 £m
Turnover	2	362.8	368 6
Cost of sales		(176.7)	(196 9)
Gross profit		186.1	171 7
Distribution costs		(47.6)	(44 8)
Administrative expenses		(70.7)	(59 3)
Exceptional charge in respect of defined benefit pension obligations	5	-	(15 5)
Operating profit		67.8	52 1
Income from shares in group undertakings		391.7	324 6
Profits on disposals of shares in subsidiary undertakings		-	25 6
Other interest receivable and similar income	3	74.9	101 9
Amounts written off investments – Impairment charges against investments in subsidiary undertakings	11	(445.1)	(137 3)
Impairment charges against amounts due by subsidiary undertakings	11	(14.5)	(0 3)
Interest payable and similar charges	4	(46.0)	(11 8)
Profit on ordinary activities before tax	5	28.8	354 8
Tax on profit on ordinary activities	8	(9.7)	(44 6)
Profit for the financial year	20	19.1	310 2

All amounts relate to continuing operations

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

Experian Limited

Statement of total recognised gains and losses for the year ended 31 March 2010

	Notes	2010 £m	2009 £m
Profit for the financial year		19.1	310.2
Actuarial losses on pension plan	23	(14.0)	(44.0)
Tax in respect of items taken directly to equity		1.9	12.3
Total recognised gains relating to the year		7.0	278.5

Experian Limited

Balance sheet at 31 March 2010

	Notes	2010 £m	2009 £m
Fixed assets			
Intangible assets	9	89.8	87.9
Tangible assets	10	33.0	36.9
Investments	11	221.9	217.5
		344.7	342.3
Current assets			
Debtors – amounts falling due within one year	12	1,247.2	214.4
Debtors – amounts falling due after more than one year	13	-	1,108.7
Cash at bank and in hand		0.1	-
		1,247.3	1,323.1
Current liabilities			
Creditors – amounts falling due within one year	14	(1,528.3)	(1,015.2)
Net current (liabilities)/assets		(281.0)	307.9
Total assets less current liabilities		63.7	650.2
Creditors – amounts falling due after more than one year	15	(4.6)	(2.3)
Provisions for liabilities and charges	16	(5.0)	(16.1)
Net assets excluding pension liability		54.1	631.8
Pension liability	23	(27.8)	(19.0)
Net assets		26.3	612.8
Capital and reserves			
Called up share capital	18	0.5	0.5
Share premium account	20	17.2	17.2
Other reserves - capital redemption reserve	20	-	-
Profit and loss account	20	8.6	595.1
Total shareholders' funds	21	26.3	612.8

The financial statements on pages 6 to 38 were approved by the board of directors on 25 October 2010 and signed on its behalf by


M E Pepper
Director

Experian Limited

Notes to the financial statements for the year ended 31 March 2010

1 Accounting policies

Basis of accounting

These financial statements have been prepared on the going concern basis, under the historical cost convention, and in accordance with the Companies Act 2006 and applicable UK accounting standards. The principal accounting policies are set out below.

In accordance with Financial Reporting Standard ('FRS') 18 'Accounting Policies', 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.

The directors have considered the ability of the Company to operate as a going concern and believe that the ongoing support of the parent group means that the Company will continue to be a going concern. The Company has obtained a letter of support to support this assumption.

Cash flow statement, group accounts and related party disclosures

The Company is a wholly-owned subsidiary of Experian plc and is included in its consolidated financial statements, which are publicly available. Consequently, the Company has taken advantage of the exemption from preparing a cash flow statement under the terms of FRS 1, and the exemption from preparing group accounts under the Companies Act 2006. The Company is also exempt under the terms of FRS 8 from disclosing transactions with entities that are wholly owned by the Experian plc group. Details of other related party transactions are given in Note 26.

Turnover - Revenue recognition

Turnover represents the fair value of the sale of goods and services to customers, net of value added tax 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.

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

Customisation, development and consulting revenues are recognised by reference to the stage of completion of the work. Revenue from software licences is recognised upon delivery. Revenue 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 revenues are recognised on a straight line basis over the contract period.

Pension costs and post retirement benefits

The Company provides pension benefits to eligible employees through membership of a defined benefit pension plan operated by Experian Finance plc, a Group company. The plan 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 'Retirement Benefits' as set out in Note 23.

A defined contribution plan, also operated by Experian Finance plc, is in place for employees not eligible to be members of the defined benefit plan. The costs are recognised in the profit and loss account as incurred.

Experian Limited

Notes to the financial statements for the year ended 31 March 2010 (continued)

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

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 to the Company's shareholders are recognised in the Company's financial statements when they are paid. Other dividend distributions are recognised in the Company's financial statements in the year in which the dividends are approved in general meeting by the Company's shareholders.

Intangible assets

Databases comprise the data purchase and capture costs of internally developed databases, for use by customers 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 'Accounting for Research and Development'. 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 'Impairment of Fixed Assets and Goodwill', 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.

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.

Tangible assets

Fixed assets are initially recorded at cost. 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
Plant and machinery	-	3 to 10 years
Fixtures and fittings	-	3 to 10 years
Leased assets	-	Period of the lease or expected useful life, if shorter

Experian Limited

Notes to the financial statements for the year ended 31 March 2010 (continued)

1 Accounting policies (continued)

Investments

Investments in group companies 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 discount rate of 10.5%, reflecting the Group's weighted average cost of capital for its UK & Ireland operating segment.

Leased assets

Costs in respect of operating leases are charged to the profit and loss account as incurred.

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

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.

Deferred consideration payable

Where the consideration for the acquisition of a business includes specific, non-interest bearing cash payments due after more than one year, the liability is recorded at its present value. The discount rate used approximates to that which a lender would typically require for a similar transaction.

Share-based payments

Company employees participate in the Experian plc share-based compensation plans. 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.

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 revenues, expenses, 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.

Experian Limited

Notes to the financial statements for the year ended 31 March 2010 (continued)

1 Accounting policies (continued)

Critical accounting estimates, judgments and assumptions (continued)

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. 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 corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity consistent with the estimated average term of the related pension liability. In determining the discount rate, management has accordingly derived an appropriate discount rate by consideration of the average annualised yield on medium and longer term AA rated corporate bonds in the UK as published by iBoxx, together with consideration of the average yields from Euro Sterling AA, Financial AA and Bank AA indices.

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 23.

Experian Limited

Notes to the financial statements for the year ended 31 March 2010 (continued)

2 Turnover

An analysis of turnover by geographical market and the analysis of turnover and profit before tax by class of business have not been given. Full analysis is given in the consolidated financial statements of Experian plc, which meets the requirements of SSAP 25.

3 Other interest receivable and similar income

	2010	2009
	£m	£m
Interest receivable from other group undertakings	47.1	82.5
Bank deposit and other interest	0.1	3.8
Foreign exchange gains on intra group financing	1.2	1.1
Expected return on pension plan assets (Note 23)	26.5	14.5
	74.9	101.9

4 Interest payable and similar charges

	2010	2009
	£m	£m
Bank overdrafts	0.2	0.1
Interest payable to other group undertakings	18.1	-
Foreign exchange losses on bank financing	0.5	0.2
Unwinding of discount on long term liabilities	0.7	0.7
Interest expense on pension plan liabilities (Note 23)	26.5	10.8
	46.0	11.8

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Notes to the financial statements for the year ended 31 March 2010 (continued)

5 Profit on ordinary activities before tax

Profit on ordinary activities before tax is stated after charging

	2010	2009
	£m	£m
Depreciation of tangible owned fixed assets	9.8	13.3
Amortisation of intangible fixed assets (including £7.2 m (2009 £5.7m) in respect of amortisation of deferred development expenditure)	24.4	16.4
Research and development	4.4	3.4
Fees payable to the auditor for the audit of the Company's financial statements	0.3	0.3
Operating lease rentals – plant and machinery	1.8	1.1
Operating lease rentals – other (property)	11.3	10.8
Loss on the disposal of owned fixed tangible assets	0.4	1.6
Exceptional charge in respect of defined benefit pension obligations	-	15.5
Restructuring costs	4.8	16.5
Impairment of fixed asset investments (Note 11)	445.1	137.3
Impairment of amounts due by subsidiary undertakings (Note 12)	14.5	0.3

Following a review of the recognition of the totality of defined benefit pension obligations within the Experian group, the Company now recognises a portion of the obligations in respect of the employees of certain other Experian group subsidiaries. This resulted in a charge of £15.5m in the year ended 31 March 2009. This comprised the recognition of additional total defined benefit obligations of £230.4m and related plan assets of £214.9m on 31 March 2009.

Costs of £4.8m (2009 £16.5m) were expensed in the year as part of the Group's programme to introduce greater cost efficiencies. These costs relate to the restructuring of the organisation and are expected to deliver significant cost savings going forward.

Experian Limited

Notes to the financial statements for the year ended 31 March 2010 (continued)

6 Employee costs and numbers

Employee costs	2010 £m	2009 £m
Wages and salaries	142.0	114.3
Social security costs	14.6	12.4
Share-based payments	8.6	7.4
Other pension costs	12.2	10.5
	177.4	144.6

Employee costs include £4.7m (2009 £6.2m) of severance costs in connection with restructuring

Monthly average employee numbers (including directors)	2010 Number	2009 Number
Development and delivery	2,083	1,857
Administrative	233	227
Distribution and sales	394	300
	2,710	2,384

7 Directors' remuneration

	2010 £m	2009 £m
Aggregate emoluments (excluding pension contributions)	1.6	1.6

Two (2009 two) directors were remunerated by other group companies and it is not practicable to allocate a charge for their services between the group companies they serve

Retirement benefits are accruing to five (2009 four) of the directors who held office in the year under a defined benefit pension plan

Highest paid director	2010 £'000	2009 £'000
Emoluments (excluding pension contributions)	597	614
Defined benefit pension plan – accrued pension at year end	116	105

In addition to the above amounts, five directors, including the highest paid director, exercised options over Experian plc ordinary shares in the year (2009 no exercise by any director), realising total gross gains of £696,000 on sales of those shares. Awards were released to five directors, including the highest paid, (2009 no releases) in respect of Experian plc ordinary shares under long-term incentive plans

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Notes to the financial statements for the year ended 31 March 2010 (continued)

8 Tax on profit on ordinary activities

Analysis of charge for the year

	2010 £m	2009 £m
Current tax:		
UK corporation tax on the profit for the year	-	49.3
Adjustments in respect of prior years	-	6.0
Total current tax	-	55.3
Deferred tax:		
Origination and reversal of timing differences	4.8	(4.8)
Adjustments in respect of prior years	4.9	(5.9)
Total deferred tax	9.7	(10.7)
Tax on profit on ordinary activities	9.7	44.6

Factors affecting the total current tax charge for the year

The current tax charge for the year is lower (2009: lower) than the standard rate of UK corporation tax of 28% (2009: 28%). The differences are explained below:

	2010 £m	2009 £m
Profit on ordinary activities before tax	28.8	354.8
Profit on ordinary activities before tax multiplied by the standard rate of UK corporation tax	8.1	99.3
Effects of:		
Income not taxable	(109.7)	(90.9)
Group relief claimed without payment of consideration	(32.1)	-
Adjustments in respect of prior years	-	6.0
Expenses not deductible for tax purposes	138.4	36.1
Other timing differences	(4.7)	4.8
Current tax charge for the year	-	55.3

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Notes to the financial statements for the year ended 31 March 2010 (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 (2009 £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 Finance (No 2) Act 2010, which received Royal Assent in July 2010, reduces the main rate of UK corporation tax from 28% to 27% with effect from 1 April 2011. As at 31 March 2010 this change had not been substantively enacted. Further proposed reductions to the main rate will reduce it by 1% per annum to 24% from 1 April 2014. Each of those reductions is expected to be separately enacted in a future year and has not yet been substantively enacted.

Accordingly, the calculation of the Company's deferred tax balance at 31 March 2010 (see Note 17) has not reflected any of these reduced future tax rates. 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 £1.4m and a reduction in the pension deferred tax asset of approximately £1.5m.

Experian Limited

Notes to the financial statements for the year ended 31 March 2010 (continued)

9 Intangible assets

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

	Goodwill	Databases	Deferred development expenditure	Total
	£m	£m	£m	£m
Cost				
At 1 April 2009	61.9	112.0	68.8	242.7
Additions	3.4	6.5	17.9	27.8
Disposals	-	(37.0)	(22.7)	(59.7)
Transfers from other group companies	-	0.4	0.1	0.5
At 31 March 2010	65.3	81.9	64.1	211.3
Amortisation				
At 1 April 2009	7.6	95.3	51.9	154.8
Charge for the year	11.2	6.0	7.2	24.4
Disposals	-	(35.1)	(23.1)	(58.2)
Transfers from other group companies	-	0.4	0.1	0.5
At 31 March 2010	18.8	66.6	36.1	121.5
Net book value				
At 31 March 2010	46.5	15.3	28.0	89.8
At 31 March 2009	54.3	16.7	16.9	87.9

The increase in goodwill in the year relates to the transfers of trade and assets from subsidiary companies, as described in Note 11, and includes £2.6m in respect of purchase consideration in excess of the net assets acquired from Catalist Limited

Experian Limited

Notes to the financial statements for the year ended 31 March 2010 (continued)

10 Tangible assets

	Freehold Buildings	Plant and machinery, fixture and fittings	Total
	£m	£m	£m
Cost			
At 1 April 2009	1.6	100.4	102.0
Additions	0.2	10.0	10.2
Disposals	(0.1)	(20.1)	(20.2)
Transfers from other group companies	0.8	0.1	0.9
At 31 March 2010	2.5	90.4	92.9
Depreciation			
At 1 April 2009	0.2	64.9	65.1
Charge for the year	-	9.8	9.8
Disposals	-	(15.5)	(15.5)
Transfers from other group companies	0.4	0.1	0.5
At 31 March 2010	0.6	59.3	59.9
Net book value			
At 31 March 2010	1.9	31.1	33.0
At 31 March 2009	1.4	35.5	36.9

Experian Limited

Notes to the financial statements for the year ended 31 March 2010 (continued)

11 Fixed assets - investments

	Shares in group undertakings
	£m
Cost	
At 1 April 2009	385.9
Additional investments in existing subsidiaries	450.0
Acquisitions	1.2
Disposals	(6.1)
Transfer to goodwill	(0.4)
At 31 March 2010	830.6
Provisions for impairment	
At 1 April 2009	168.4
Charge for the year	448.2
Reversal of previous impairment charges	(3.1)
Applied to disposals	(4.8)
At 31 March 2010	608.7
Net book value	
At 31 March 2010	221.9
At 31 March 2009	217.5

On 1 April 2009 the Company subscribed £450.0m for additional shares in Experian International Unlimited

As part of Group reorganisations, on 18 May 2009 the Company acquired 100% of the issued share capital of Hitwise UK Limited from a fellow subsidiary of Experian plc, and on 23 March 2010 the Company acquired 100% of the issued share capital of United MailSolutions Limited from another fellow subsidiary, for cash considerations of £0.8m and £0.4m respectively

On 12 November 2009 as part of an Group reorganisation, the Company sold, for cash consideration, to a fellow subsidiary, its existing shareholding in Experian Credit Information Company of India Private Limited, eliminating £0.3m cost of investment. On 30 November 2009 the Company disposed of its investment in The Future Foundation Group Limited and its two subsidiary companies for a cash consideration, eliminating £5.8m cost of investment. As a result of this disposal, the Company recognised an impairment charge of £5.1m in total in the year ended 31 March 2009 (£4.8m against the investment and £0.3m against amounts owed by group undertakings) to reflect the realised values arising on the disposal

Experian Limited

Notes to the financial statements for the year ended 31 March 2010 (continued)

11 Fixed assets - investments (continued)

Impairment charges were raised in the year to 31 March 2010 against the carrying values of a number of investments in subsidiary undertakings

Background Checking Limited and Corpfm Limited re-registered as unlimited companies with a share capital and following their re-registration, together with Experian International Unlimited, reduced their share capital by redenomination of their existing shares and returned £391.7m in total to the Company as their shareholder by way of dividends. In 2009, other subsidiaries returned £1.1m to the Company through the same processes.

Impairment charges of £446.5m (2009: £37.3m) were raised following the Company receiving dividends from certain of its subsidiaries which no longer trade, and the redenomination of share capital referred to above.

The Company also recognised impairment charges of £1.7m (2009: £95.2m) in total against the carrying value of its investments in certain of its trading subsidiaries, reflecting the restructuring of their operations and reassessment of their markets.

N4 Solutions Limited (and its own direct subsidiary, Priory Court Trustees Limited) ceased to be subsidiaries on 7 May 2010 when the Company disposed of the majority of its shareholding in N4 Solutions Limited, and the remaining shareholding was sold on 24 June 2010. The £3.1m reversal of prior period impairment charges in 2010 enables the carrying value at 31 March 2010 to reflect the actual funds generated by the disposals.

The principal subsidiary undertakings as at the year end are listed below. Except where indicated, these are 100% owned, are incorporated and registered in the UK and have the same trading activity as the Company.

Directly held:

Catalist Limited (ceased to trade 31 March 2010)

Experian Intact Limited (whose trade is intra-group financing)

Experian Integrated Marketing Holdings Limited (an investment holding company)

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

Experian Northern Ireland Limited

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

FootFall Limited

Hitwise UK Limited (ceased to trade 31 March 2010)

N4 Solutions Limited

The pH Group Limited

QAS Limited

Scorex (UK) Limited

United MailSolutions Limited (ceased to trade 31 March 2010)

Indirectly held:

Experian Integrated Marketing Limited

With effect from the close of business on 31 March 2010, United MailSolutions Limited, Hitwise UK Limited and Catalist 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.

All subsidiaries draw up their financial statements to 31 March.

Experian Limited

Notes to the financial statements for the year ended 31 March 2010 (continued)

11 Fixed assets - investments (continued)

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. Except where indicated, these are 100% directly held, and are incorporated and registered in the UK.

	Incorporated in	Trade/status
Background Checking Unlimited (formerly Limited)		Non-trading
Catalist Trustee Limited (indirectly held)		Non-trading
CheetahMail UK Unlimited		Non-trading
ClarityBlue, Inc (indirectly held)	USA	Non-trading
Construction Forecasting & Research Unlimited		Non-trading
Corpfin Unlimited (formerly Limited)		Non-trading
Eiger Systems Unlimited		Non-trading
Experian Business Strategies Holdings Unlimited		In liquidation
Experian Business Strategies Unlimited		Non-trading
Experian Holdings EURL	France	Non-trading
FN Services Limited (51% of voting capital owned)		Non-trading
FootFall France Sarl (indirectly held)	France	Counting systems
I C D Unlimited		In liquidation
Intermediary Systems Unlimited		Non-trading
International Communication & Data Limited		Non-trading
ISL Global Unlimited		Non-trading
ITPA Limited	Ireland	Non-trading
MCL Software Unlimited		Non-trading
Priory Court Trustees Limited (indirectly held)		Corporate trustee
Talgentra Limited (indirectly held)		In liquidation
Talgentra Solutions Limited (indirectly held)		In liquidation
Tallyman Limited		Non-trading
Tallyman Australia Pty Limited (indirectly held)	Australia	Non-trading

Experian Limited

Notes to the financial statements for the year ended 31 March 2010 (continued)

12 Debtors – amounts falling due within one year

	2010	2009
	£m	£m
Trade debtors	73.5	67.2
Amounts owed by group undertakings	1,158.5	107.5
Less Impairment provisions against amounts owed by group undertakings	(14.8)	(0.3)
	1,143.7	107.2
Prepayments and accrued income	20.0	18.8
Deferred tax (Note 17)	10.0	21.2
	1,247.2	214.4

All amounts owed by group undertakings are unsecured. Amounts owed at 31 March 2010 include £1,082.9m which earns interest at LIBOR + 0.375% and is repayable on 17 October 2010. The remainder of the amounts (2009: all amounts) owed do not accrue interest and are repayable on demand.

13 Debtors – amounts falling due after more than one year

Amounts owed by group undertakings for 2009 were unsecured, repayable on 17 October 2010 and earned interest at LIBOR + 0.375%.

14 Creditors – amounts falling due within one year

	2010	2009
	£m	£m
Bank overdrafts and loans	5.9	5.9
Trade creditors	28.3	21.8
Amounts owed to group undertakings	1,403.1	879.5
Corporation tax	3.2	29.7
Other tax and social security	12.0	8.2
Accruals and deferred income	71.7	66.8
Deferred consideration in respect of acquisitions	2.6	2.5
Other creditors	1.5	0.8
	1,528.3	1,015.2

Included in the amounts owed to group undertakings is £1,322.7m (2009: £740.1m) which carries interest at LIBOR + 0.75%. Other amounts so owed are interest free. All are unsecured and repayable on demand.

Experian Limited

Notes to the financial statements for the year ended 31 March 2010 (continued)

15 Creditors – amounts falling due after more than one year

	2010	2009
	£m	£m
Accruals and deferred income	0.1	-
Deferred consideration in respect of acquisitions	-	2.3
Amount owed to group undertakings	4.5	-
	4.6	2.3

All of the above deferred consideration due on acquisitions for 2009 fell due within one to two years

The amount owed to group undertakings is unsecured, repayable in 2013, and bears interest at a fixed rate of 5% per annum

16 Provisions for liabilities and charges

	Restructuring Provisions
	£m
At 1 April 2009	16.1
Amount utilised in the year	(12.5)
Amount created in the year	4.8
Amount released in the year	(3.9)
Unwinding of discount	0.5
At 31 March 2010	5.0

A provision was raised at 31 March 2007 against anticipated future costs of withdrawal from credit card and loan account processing. At 31 March 2010, the remaining related provision was £0.6m (2009: £8.6m).

In the year ended 31 March 2008 Experian plc announced a programme of cost-efficiency measures. At 31 March 2009 a related provision remained of £7.5m. Further new provision of £0.9m was made in 2010 under this programme, of which £0.7m remained at 31 March 2010.

In the year ended 31 March 2010 Experian Limited announced a further programme of restructuring and cost-efficiency measures. At 31 March 2010 a related provision remained of £3.7m.

Experian Limited

Notes to the financial statements for the year ended 31 March 2010 (continued)

17 Deferred tax

	Deferred Tax asset	Pension Deferred Tax Asset
	£m	£m
At 1 April 2009	21.2	7.4
Amount credited to the statement of total recognised gains and losses	-	1.9
Amounts (charged)/ credited in the profit and loss account	(11.2)	1.5
At 31 March 2010	10.0	10.8

The deferred tax asset and the amount unprovided are analysed as follows

	2010 Provided	2010 Unprovided	2009 Provided	2009 Unprovided
	£m	£m	£m	£m
Accelerated capital allowances	8.6	-	15.0	-
Other short term timing differences	1.4	-	6.2	-
	10.0	-	21.2	-

18 Called up share capital

	2010 £m	2009 £m
Allotted and fully paid		
489,950 (2009 489,950) ordinary shares of £1 each	0.5	0.5

19 Dividends

Interim dividends paid in the year	2010 £m	2009 £m
First interim dividend of £1,020.51 per share paid 1 April 2009	500.0	-
Second interim dividend of £204.10 per share paid 29 October 2009	100.0	-
	600.0	-

Experian Limited

Notes to the financial statements for the year ended 31 March 2010 (continued)

20 Reserves

	Share premium account	Capital redemption reserve	Profit and loss account	Total
	£m	£m	£m	£m
At 1 April 2009	17.2	-	595.1	612.3
Profit for the financial year	-	-	19.1	19.1
Interim dividends paid	-	-	(600.0)	(600.0)
Credit in respect of share incentive plans	-	-	6.5	6.5
Actuarial loss on pension plan	-	-	(14.0)	(14.0)
Tax in respect of items taken to equity	-	-	1.9	1.9
At 31 March 2010	17.2	-	8.6	25.8

The balance on the Company's capital redemption reserve amounted to £5,000 (2009 £5,000)

21 Reconciliation of movements in total shareholders' funds

	2010 £m	2009 £m
Profit for the financial year	19.1	310.2
Interim dividends paid	(600.0)	-
Credit in respect of share incentive plans	6.5	6.9
Actuarial loss on pension plan	(14.0)	(44.0)
Tax in respect of items taken to equity	1.9	12.3
Net movement in total shareholders' funds	(586.5)	285.4
Opening total shareholders' funds	612.8	327.4
Closing total shareholders' funds	26.3	612.8

Experian Limited

Notes to the financial statements for the year ended 31 March 2010 (continued)

22 Financial commitments

The Company had no significant capital commitments contracted but not provided for at the balance sheet date (2009 None)

The Company had annual commitments under non-cancellable operating leases as follows

	2010	2010	2009	2009
	Land and buildings	Plant and machinery	Land and buildings	Plant and machinery
	£m	£m	£m	£m
Expiring within one year	2.1	0.9	2.0	0.7
Expiring in between one and five years	0.7	0.6	0.6	0.8
Expiring in more than five years	3.4	1.3	3.6	-
	6.2	2.8	6.2	1.5

23 Pension and post retirement benefits

The Company provides pension benefits to eligible employees through membership of a defined benefit pension plan operated by Experian Finance plc. 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.

A full actuarial funding valuation of 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 2007 by independent, qualified actuaries, Towers Watson Limited (formerly Watson Wyatt Limited), using the projected unit credit method. Under the projected unit method of valuation the current service cost, when expressed as a percentage of payroll, will increase as members approach retirement due to the ageing active membership of the plan. There was a surplus at the date of the latest full actuarial valuation and accordingly no deficit repayment contributions are currently required. The next full valuation is in the process of being carried out as at 31 March 2010.

In addition, a defined contribution pension plan (a money purchase plan), also operated by 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 Experian plc Group also operates plans which provide post-retirement healthcare benefits to certain retired employees and their dependent relatives. The principal plan relates to former employees of the Company and, 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 dependents.

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

Experian Limited

Notes to the financial statements for the year ended 31 March 2010 (continued)

23 Pension and post retirement benefits (continued)

The valuations used at 31 March 2010 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

	2010	2009
	%	%
Rate of inflation	3.7	3.4
Rate of increase for salaries	4.7	5.4
Rate of increase for pensions in payment	3.6	3.4
Rate of increase for deferred pensions	3.7	3.4
Rate of increase for medical costs	7.7	6.5
Discount rate	5.5	6.9

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 £9.4m, or 1.8% (2009 decrease by 1.7%), and the annual current service cost would decrease by approximately £0.2m, or less than 0.1%, (2009 remain unchanged). The discount rate is based on the market yields on high quality corporate bonds of appropriate currency and term to the defined benefit obligations.

Mortality assumptions - average life expectation on retirement at age 65 in normal health

	2010	2009
	years	years
At age 65 for a male currently aged 65	21.3	21.3
At age 65 for a female currently aged 65	24.2	24.2
At age 65 for a male currently aged 50	22.2	22.2
At age 65 for a female currently aged 50	25.0	25.0

The FRS 17 valuation assumes that mortality will be in line with the PA92 series year of use tables with medium cohort mortality improvement projections and an age rating of +1 year. This includes an explicit allowance for anticipated future improvements in life expectancy (medium cohort projections).

Experian Limited

Notes to the financial statements for the year ended 31 March 2010 (continued)

23 Pension and post retirement benefits (continued)

An increase in assumed life expectancy of 0.1 years would increase the Company's defined benefit obligations at 31 March 2010 by approximately £2.1m, or 0.4% (2009: 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 £0.9m, or 5.3% (2009: 15.0%).

The assets of the Company's defined benefit plan and their expected rates of return are summarised as follows:

	2010	2010	2009	2009
	Fair value	Expected long-term rate of return	Fair value	Expected long-term rate of return
	£m	%pa	£m	%pa
Market value of plan's assets				
Equities	256.4	8.3	214.7	8.7
Fixed interest securities	188.3	5.0	132.9	5.6
Other	40.4	8.3	20.0	6.5
	485.1		367.6	

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 2010 (continued)

23 Pension and post retirement benefits (continued)

The amounts recognised in the Company's balance sheet are as follows

	2010	2009
	£m	£m
Market value of plan's assets	485.1	367.6
Present value of funded plan's liabilities	(507.0)	(388.0)
Deficit in the plan	(21.9)	(20.4)
Present value of unfunded pension arrangements	(16.7)	(6.0)
Retirement benefit liability recognised in the balance sheet	(38.6)	(26.4)
Less deferred tax asset (Note 17)	10.8	7.4
	(27.8)	(19.0)

Reconciliation of present value of plan liabilities (including unfunded pension arrangements)

	2010	2009
	£m	£m
At 1 April	394.0	161.0
Current service cost	5.5	6.8
Interest cost	26.5	10.8
Employee contributions	2.1	2.4
Loss/(gain) on defined benefit obligations	115.1	(9.2)
Actual benefits paid	(19.5)	(6.3)
Settlement/curtailment gains	-	(1.9)
Assumption of certain liabilities in respect of defined benefit pension plan	-	230.4
At 31 March	523.7	394.0

Experian Limited

Notes to the financial statements for the year ended 31 March 2010 (continued)

23 Pension and post retirement benefits (continued)

Reconciliation of fair value of plan assets

	2010 £m	2009 £m
At 1 April	367.6	188.7
Expected return on plan assets	26.5	14.5
Actual return less expected return on plan assets	101.1	(53.2)
Contributions paid by the company	7.3	6.6
Employee contributions	2.1	2.4
Actual benefits paid	(19.5)	(6.3)
Assumption of certain assets in respect of defined benefit pension plan	-	214.9
At 31 March	485.1	367.6

The actual return on the plan assets in the year was a gain of £127.6 m (2009 loss of £38.7m)

The amounts charged to operating profit are as follows

	2010 £m	2009 £m
Current service cost	(5.5)	(6.8)
Gains on settlements and curtailments	-	1.9
Exceptional charge – defined benefit pension plans	-	(15.5)
Total charge to operating profit	(5.5)	(20.4)

The amounts charged to interest are as follows

	2010 £m	2009 £m
Interest on pension plan liabilities (Note 4)	(26.5)	(10.8)
Expected return on pension plan assets (Note 3)	26.5	14.5
Net return	-	3.7

Contributions expected to be paid into the plan during the next financial year are £6.0m by the Company and £2.9m by employees

Experian Limited

Notes to the financial statements for the year ended 31 March 2010 (continued)

23 Pension and post retirement benefits (continued)

The amount recognised in the statement of total recognised gains and losses is as follows

	2010 £m	2009 £m
Actual return less expected return on plan assets	101.1	(53.2)
Experience gains arising on plan liabilities	0.7	0.1
Changes in the assumptions underlying the present value of the plan liabilities	(115.8)	9.1
Total loss recognised in the statement of total recognised gains and losses	(14.0)	(44.0)

The cumulative amount of actuarial gains recognised in the statement of total recognised gains and losses is a loss of £54.1m (2009: loss of £40.1m)

Amounts for current and previous four years

	2010	2009	2008	2007	2006
Plan assets (£m's)	485.1	367.6	188.6	185.6	183.9
Defined benefit obligations (£m's)	523.7	394.0	161.0	166.6	165.6
(Deficit)/surplus (£m's)	(38.6)	(26.4)	27.6	19.0	18.3
Experience adjustments on plan assets					
Amount (£m's)	101.1	(53.2)	(16.6)	(19.7)	25.6
Percentage of plan assets*(%)	20.8	(34.8)	(8.8)	(10.6)	13.9
Experience adjustments on plan liabilities					
Amount (£m's)	0.7	0.1	(8.7)	(0.7)	(0.7)
Percentage of present value of plan liabilities* (%)	0.0	0.0	(5.4)	(0.4)	(0.4)
Total amount recognised in the statement of total recognised gains and losses					
Amount (£m's)	(14.0)	(44.0)	3.9	(5.0)	11.3
Percentage of present value of plan liabilities* (%)	(2.7)	(26.9)	2.4	(3.1)	6.8

* At 31 March 2009, these percentages are stated on values before the assumption at that date of the portion of assets and liabilities in respect of the employees of certain other Experian group subsidiaries

Defined contribution plan

The total pension cost for this plan was £6.2m (2009: £4.2m). At the end of the year, contributions of £0.8m (2009: £0.1m), representing unpaid contributions, were outstanding.

Experian Limited

Notes to the financial statements for the year ended 31 March 2010 (continued)

24 Share-based payment arrangements

Share options in respect of Experian plc ordinary shares

Summary of arrangements and information relating to option valuation techniques

	Experian Share Option Plan	Experian Sharesave Plans
Nature	Grant of options	'Save as you earn' plans
Vesting conditions		
- Service period	3 and 4 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%* 5 years – 50%*
Option exercise price calculation**	Market price over the 3 dealing days preceding the grant	20% discount to market price over 3 dealing days preceding the grant

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

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

For the above plans the Black Scholes model is used to determine an appropriate value of the option grants and inputs into the model 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 or 4 years. The expected life is 4 years for the options that vest after 3 years and 4.85 years for the options that vest after 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 for the year ended 31 March 2010 (continued)

24 Share-based payment arrangements (continued)

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

	Experian Share Option Plan		Experian Sharesave Plans	
	2010	2009	2010	2009
Share price on grant date (£)	4.64	3.29	4.32	3.65
Exercise price (£)	4.64	3.29	3.46	2.91
Expected volatility (%)	39.8	45.2	40.2	36.0
Expected dividend yield (% per annum)	2.6	3.8	2.9	3.0
Risk free interest rate (% per annum)	2.9	3.1	3.5	5.1
Expected option life to exercise (years)	4.0	3.5	4.0	3.8
Fair value (£)	1.31	0.92	1.58	1.26

Reconciliation of movement in the number of share options

	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
	2010 '000	2010 £	2009 '000	2009 £
Outstanding at 1 April	8,762	4.36	10,032	4.72
Transfers in of employees and businesses with effect from 1 April	207	3.37	-	n/a
New grants	2,344	4.33	2,172	3.01
Forfeitures	(363)	4.29	(1,994)	4.90
Exercises	(2,913)	4.58	(493)	3.53
Cancellations	(921)	4.61	(918)	4.49
Lapses	(161)	3.81	(236)	4.55
Transfers of employees during the year	245	4.49	199	4.98
Transfers in of employees and businesses with effect from 31 March	111	3.81	-	n/a
Outstanding at 31 March	7,311	4.23	8,762	4.36
Exercisable at 31 March	1,058	4.51	3,335	4.41

Experian Limited

Notes to the financial statements for the year ended 31 March 2010 (continued)

24 Share-based payment arrangements (continued)

Share 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 2010

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	1,462	2.90	2.1	2.5
3 00 to 4 00	1,325	3.50	2.0	5.7
4 00 to 5 00	3,067	4.64	1.6	7.0
5 00 to 6 00	1,386	5.37	0.7	6 7
6 00 to 7 00	71	6.13	1.5	7.6

At 31 March 2009

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	1,490	2 89	3 1	3 5
3 00 to 4 00	1,710	3 58	1 2	5 7
4 00 to 5 00	2,866	4 66	0 6	5 2
5 00 to 6 00	2,609	5 32	1 5	7 5
6 00 to 7 00	87	6 14	2 5	8 6

Experian Limited

Notes to the financial statements for the year ended 31 March 2010 (continued)

24 Share-based payment arrangements (continued)

Share awards in respect of Experian plc ordinary shares

Summary of arrangements and information relating to share grant valuation techniques

	Experian Performance Share Plan	Experian Free Shares Plan and the Experian UK Approved All-Employee Plan
Nature	Grant of shares	Grant of shares
Vesting conditions		
- Service period	3 to 5 years	3 years
- Performance/Other	50% or 75% - Benchmark profit performance of Experian plc Group assessed against specified targets* 50% or 25% - Distribution percentage determined by ranking Total Shareholder Return ('TSR') relative to a comparator group**	n/a
Expected outcome of meeting performance criteria (at grant date)	Benchmark profit – 91% TSR – range from 30% to 61%	n/a
Maximum term	5 years	3.5 years
Method of settlement	Share distribution	Share distribution
Expected departures (at grant date)	5%	15%

* The Benchmark profit performance condition for the Experian Performance Share Plan in prior years required Experian plc Group's Benchmark profit before tax ('Benchmark PBT') growth to exceed 7% over a 3 year period with the condition fully satisfied if Benchmark PBT growth is 14%. In the case of Performance Share Plan awards after 1 April 2009, the growth percentages are 4% and 8% 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.

Experian plc Group's Benchmark PBT is defined as its profit before amortisation of acquisition intangibles, goodwill impairments, 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 associates' pre-tax profits.

** 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.

Share grants are valued by reference to the market price on the day of award with no modifications 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.

Experian Limited

Notes to the financial statements for the year ended 31 March 2010 (continued)

24 Share-based payment arrangements (continued)

Reconciliation of movement in the number of share awards outstanding

Number of awards	2010 '000	2009 '000
Outstanding at 1 April	5,152	6,786
New grants	508	22
Forfeitures	(264)	(992)
Vesting	(2,316)	(831)
Transfers of employees during the year	270	167
Transfers in of employees and businesses with effect from 31 March	21	-
Outstanding at 31 March	3,371	5,152

508,050 (2009 21,871) Experian plc ordinary shares were granted during the year, with a weighted average award fair value of £4.63 (2009 £3.41)

Summary of the total cost of share-based compensation in respect of Experian plc ordinary shares, included in administrative expenses:

	2010 £m	2009 £m
Share option awards	2.1	0.9
Share grant awards	4.4	5.6
Amount recognised (all equity settled)	6.5	6.5
Cost of modifying existing Sharesave plan	-	0.4
Related social security costs	2.1	0.5
Total expense recognised (all equity settled)	8.6	7.4

Experian Limited

Notes to the financial statements for the year ended 31 March 2010 (continued)

25 Acquisitions – transfers of trades

With effect from the close of business on 31 March 2010, United MailSolutions Limited, Hitwise UK Limited and Catalist 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, which represent their fair values, are set out below.

	United MailSolutions Limited	Hitwise UK Limited	Catalist Limited	Total
	£m	£m	£m	£m
Fixed assets (tangible and intangible)	-	-	-	-
Debtors	0.2	0.5	1.1	1.8
Cash in bank and in hand	0.1	-	-	0.1
Creditors	-	(1.0)	(1.8)	(2.8)
Total net assets/(liabilities) acquired	0.3	(0.5)	(0.7)	(0.9)
Consideration payable/(receivable)	0.3	(0.5)	1.9	1.7

26 Related party transactions

During the year ended 31 March 2009, sales on normal trading terms of £0.3m were made to FN Services Limited, a 51% owned subsidiary company which ceased to trade with effect from 1 October 2008. At 31 March 2009, creditors included £0.1m due to FN Services Limited.

27 Post balance sheet events

N4 Solutions Limited ceased to be a subsidiary undertaking on 7 May 2010 when the Company disposed of the majority of its shareholding in that company, and the remaining shareholding was sold on 24 June 2010.

On 12 May 2010 Experian plc announced that it had reached agreement to divest part of its UK database marketing activities to a newly formed company business venture with British Sky Broadcasting ('Sky'). Sky holds a majority stake in this new company. The transaction completed on 30 June 2010 with the activities divested including part of the Company's direct marketing business and the majority of the activities of Experian Integrated Marketing Limited, one of the Company's indirectly wholly owned subsidiaries.

28 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.