Experian Limited

Annual report and financial statements

for the year ended 31 March 2018

Company registered number 00653331

Experian Limited
Annual report and financial statements
for the year ended 31 March 2018

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Experian Limited
Directors and other information

Directors

C L Butterworth
J M Cattanach
R W J Davis
S J Deane
M J Pape

Company secretary

R P Hanna

Registered office

The Sir John Peace Building
Experian Way
NG2 Business Park
Nottingham
NG80 1ZZ

Independent auditor

KPMG LLP
Chartered Accountants and Statutory Auditors
St Nicholas House
31 Park Row
Nottingham
NG1 6FQ

Authorised and regulated by the Financial Conduct Authority
Registered number 738097

Experian Limited
Strategic report

for the year ended 31 March 2018

Activities and business model

Experian Limited ('the Company') is a member of the Experian plc Group ('the Group') and is its main UK operating subsidiary.

Our principal activity is to provide data and analytical tools to clients, who use them to manage credit risk, prevent fraud, target marketing offers and automate decision-making. We also help individuals to manage their credit relationships and protect against identity theft.

We are organised across four business activities: Credit Services, Decision Analytics, Marketing Services and Consumer Services, supported by a number of corporate and administrative functions. Descriptions of each of the business activities, their competitive environments and market influences, together with an overview of the Group's business model, strategy and strategic objectives, can be found on pages 12 to 24 of the Experian plc annual report for the year ended 31 March 2018 (the 'Experian annual report'), which does not form part of this report.

Review of the business

Total turnover declined 3% year on year, due to the disposal of the Email / Cross Channel Marketing business ('CCM'). Ongoing activities turnover remained flat. Our business-to-business ('B2B') activities have seen good momentum in the year as we benefitted from helping our clients manage credit risk, assess eligibility for loans and tackle fraud using data. Within our business-to-consumer ('B2C') division, more consumers are taking control of their credit by using our free online services and checking their eligibility for credit cards, mortgages, loans, insurance and energy offers.

Credit Services saw turnover grow by 5%, driven by growth in credit reference and background checking volumes, as well as across credit pre-qualification services. We also expanded our position with clients across the banking, telecommunications and price comparison sectors and secured new agreement for Verdus, our affordability Open Banking platform.

Decision Analytics' turnover grew by 8%, this was driven by strong demand for origination and customer management software. We also secured new agreements for fraud prevention and identity verification services.

Marketing Services saw a decline in turnover of 11%, due to the disposal of the CCM business in May 2017. Ongoing activities saw turnover increase by 2% year on year, driven by strong growth across digital marketing tools.

Consumer Services turnover declined 16% for the year, 18% in the first half and by 14% in the second half. There was very strong growth in referral fees through CreditMatcher, offset by attrition in subscription-based credit monitoring services.

Results and dividends

The profit for the financial year was £124m (2017: £119m).

The 2018 results and the financial position at the year-end are considered satisfactory by the directors.

An interim dividend of £204.10 per share, whose total cost amounted to £100m, was paid on 5 September 2017. In the previous financial year, total interim dividends were paid of £204.10 per share (cost £100m) and £163.28 per share (cost £80m).

Experian Limited
Strategic report (continued)

Principal risks and uncertainties

The management of the business and the execution of our strategy are subject to a number of risks. The principal risks and uncertainties the Group faces, together with the main means by which they are managed or mitigated, are set out on pages 55 to 59 of the Experian annual report. The key business risks and uncertainties affecting the Company are consistent with the Group and are considered to relate to data security, information systems and regulation.

Since 1 April 2014 the UK Financial Conduct Authority ('FCA') has regulated UK credit reference bureaux. The Company was granted full permission in February 2017. The Company continues to face increasing regulatory compliance risk related to consumer protection and privacy, and continues to refine compliance strategies in response to the developing requirements of the FCA.

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 in isolation 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 10 and 11 of the Experian annual report.

By order of the board

C L Butterworth
Director

4 October 2018

The Company's registered number is 00653331.

Experian Limited

Directors' report

for the year ended 31 March 2018

The directors present their report and the audited financial statements for the year ended 31 March 2018. Experian Limited's registered number is 00653331. The Company is required to prepare a separate strategic report that contains certain information equivalent to that required in this directors' report.

Likely future developments

The external commercial environment is expected to remain competitive for the remainder of 2018 and 2019, but the directors remain confident that the Company will continue to trade profitably in the future.

We will continue to develop our conduct risk standards to reduce and mitigate against inappropriate execution of our business strategies or activities that could adversely affect our clients or consumers.

On 15 March 2018, we agreed to acquire 100% of the share capital of ClearScore (Credit Laser Holdings Limited) for £275m. The transaction is expected to complete during the year ended 31 March 2019, subject to UK regulatory approval.

Financial risk management

The directors monitor the risks facing the Company with reference to its exposure to foreign exchange, interest rate, price, credit, and liquidity. 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 processes that require appropriate credit checks on potential clients and customers before sales are made. The amount of exposure to any counterparty is subject to a limit, which is reassessed periodically.

Most aspects of exposures to foreign exchange, interest rate, and liquidity risk are managed on a Group basis and are discussed in note 7 to the group financial statements of Experian plc in the Experian annual report.

The Company has no significant exposure to funding or liquidity risks. It meets its day-to-day working capital requirements through borrowings, as required, from group companies, and through its cash balances. The Group ensures that the Company has access to sufficient funds for operations and planned growth.

Directors

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

C L Butterworth	
J M Cattanach	
R W J Davis	
S J Deane	
W J S Floydd	(resigned 19 April 2018)
M J Pape	(appointed 22 May 2018)

Mr Davis and Mr Deane are independent non-executive directors.

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.

Research and development

Research and product development are a high priority in driving the Company's growth. However, certain development costs are now borne by Experian Technology Limited, a fellow group company, which owns the rights to the related intellectual property and licences its use to the Company.

Employee involvement

Experian Limited regularly reviews 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 Company's and 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.

Experian Limited
Directors' report (continued)

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 treated fairly 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 retraining or redeployment, so as to provide an opportunity for them to remain with the Company whenever possible.

Statement of directors' responsibilities in respect of the strategic report, the directors' report and the financial statements

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

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 101 Reduced Disclosure Framework.

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

- select suitable accounting policies and then apply them consistently;
- make judgments and 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;
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

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 responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

Statement of disclosure of information to auditor

As at the date this report was signed, so far as each director is aware:

- there is no relevant audit information of which the auditor is unaware; and
- each director has taken all steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Auditor

In accordance with Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

By order of the board

M J Pape
Director

4 October 2018

Experian Limited
Independent auditor's report to the members of Experian Limited

Opinion

We have audited the financial statements of Experian Limited ("the Company") for the year ended 31 March 2018 which comprise the Profit and Loss account, the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity and related notes, including the accounting policies in note 3.

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 101 Reduced Disclosure Framework; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the Company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least twelve months from the date of approval of the financial statements. We have nothing to report in these respects.

Strategic report and directors' report

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required 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.

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 5, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Independent auditor's report to the members of Experian Limited (continued)

Auditor's responsibilities

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Mark Flanagan (Senior Statutory Auditor)

for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants

St Nicholas House

Park Row

Nottingham

NG1 6FQ

5 October 2018

Experian Limited
Profit and loss account

for the year ended 31 March 2018

	Notes	2018 £m	2017 £m
Turnover	5	**603**	621
Own work capitalised		**47**	34
		650	655
Staff costs	6	**(250)**	(243)
Depreciation and other amounts written off tangible and intangible fixed assets	9	**(37)**	(37)
Other operating charges		**(208)**	(250)
Operating profit		**155**	125
Income from shares in group undertakings		**-**	3
Interest payable and similar charges	8	**(11)**	(9)
Profit before tax	9	**144**	119
Tax on profit	10	**(20)**	-
Profit for the financial year		**124**	119

Experian Limited
Statement of comprehensive income

for the year ended 31 March 2018

	Notes	2018 £m	2017 £m
Profit for the financial year		**124**	119
Other comprehensive income: items that will not be reclassified to profit or loss			
Remeasurement losses on pension assets and obligations	22	**8**	(8)
Deferred tax in respect of remeasurement (gains) / losses	19	**(2)**	2
Tax recognised directly in equity on transactions with owners	19	**(1)**	2
Total comprehensive income for the financial year		**129**	115

Experian Limited
Balance sheet
at 31 March 2018

	Notes	2018 £m	2017 £m
Non-current assets			
Intangible assets	12	254	250
Tangible assets	13	28	31
Investments in group undertakings	14	278	227
Investment in associate	15	44	10
Deferred tax	19	13	16
Post-employment benefit assets	22	19	13
		636	547
Current assets			
Debtors	16	326	353
Cash at bank and in hand		8	1
		334	354
Current liabilities			
Creditors: amounts falling due within one year	17	(259)	(239)
Net current assets		75	115
Total assets less current liabilities		711	662
Creditors: amounts falling due after more than one year	18	(515)	(501)
Post-employment benefit liabilities	22	(11)	(15)
Net assets		185	146
Equity			
Called up share capital	20	-	-
Share premium account		17	17
Profit and loss account		168	129
Total shareholder's funds		185	146

The financial statements on pages 8 to 31 were approved by the board of directors on 4 October 2018 and signed on its behalf by:

M J Pape
Director

The Company's registered number is 00653331.

Experian Limited
Statement of changes in equity

year ended 31 March 2018

	Called up share capital[1] £m	Share premium account £m	Capital redemption reserve[2] £m	Profit and loss account £m	Total £m
At 1 April 2016	-	17	-	189	206
Profit for the financial year	-	-	-	119	119
Other comprehensive income for the year:					
Remeasurement loss on pension plan	-	-	-	(8)	(8)
Movement on deferred tax relating to remeasurement	-	-	-	2	2
Movement on deferred tax relating to remeasurement	-	-	-	2	2
Total comprehensive income for the year	-	-	-	115	115
Transactions with owners					
Credit in respect of share incentive plans	-	-	-	5	5
Interim dividends paid	-	-	-	(180)	(180)
Total transactions with owners	-	-	-	(175)	(175)
At 31 March 2017	-	17	-	129	146
Profit for the financial year	-	-	-	**124**	**124**
Other comprehensive income for the year:					
Remeasurement loss on pension plan (note 22)	-	-	-	**8**	**8**
Movement on deferred tax relating to remeasurement (note 19)	-	-	-	**(2)**	**(2)**
Tax recognised directly in equity on transactions with owners (note 19)	-	-	-	**(1)**	**(1)**
Total comprehensive income for the year	-	-	-	**129**	**129**
Transactions with owners					
Credit in respect of share incentive plans	-	-	-	**10**	**10**
Interim dividends paid (note 11)	-	-	-	**(100)**	**(100)**
Total transactions with owners	-	-	-	**(90)**	**(90)**
At 31 March 2018	-	**17**	-	**168**	**185**

[1] The balance on the Company's called up share capital amounted to £489,950.

[2] The balance on the Company's capital redemption reserve amounted to £5,000.

Experian Limited
Notes to the financial statements

for the year ended 31 March 2018

1 Corporate information

Experian Limited ('the Company') is a private company, domiciled in England and Wales. Its registered office is at The Sir John Peace Building, Experian Way, NG2 Business Park, Nottingham, NG80 1ZZ and its registered number is 00653331. The Company's principal activity is to provide data and analytical tools to clients.

2 Basis of preparation

These financial statements are prepared on the going concern basis under the historical cost convention and in accordance with the Companies Act 2006 and applicable UK accounting standards.

Going concern

The Company meets its day-to-day working capital requirements through borrowings, as required, from group companies. Given the net current assets of £75m at 31 March 2018 and the long-term nature of its borrowings, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. The Company therefore continues to adopt the going concern basis in preparing its financial statements.

Group financial statements exemption

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

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

The Company's financial statements are prepared in accordance with the requirements of Financial Reporting Standard ('FRS') 100 'Application of financial reporting requirements', the directors have opted to prepare these financial statements in accordance with FRS 101 'Reduced disclosure framework'.

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

- IFRS 7 'Financial instruments: disclosures'.
- Paragraphs 91 to 99 of IFRS 13 'Fair value measurement', so exempting the Company from disclosing valuation techniques and inputs used for the measurement of assets and liabilities.
- Paragraph 38 of IAS 1 'Presentation of financial statements', so exempting the Company from disclosing comparative information required by:
    - paragraph 79(a)(iv) of IAS 1 – shares outstanding at the beginning and at the end of that period;
    - paragraph 73(e) of IAS 16 'Property, plant and equipment' – reconciliations between the carrying amount at the beginning and end of that period; and
    - paragraph 118(e) of IAS 38, 'Intangible assets' (reconciliations between the carrying amount at the beginning and end of the period).
- The following paragraphs of IAS 1:
    - paragraphs 10(d) and 111, so exempting the Company from providing a cash flow statement and information;
    - paragraph 16, so exempting the Company from providing a statement of compliance with all IFRS;
    - paragraph 38A, so exempting the Company from the requirement for a minimum of two of each primary statement and the related notes;
    - paragraphs 38B to D, so exempting the Company from the requirement to provide additional comparative information;
    - paragraphs 40A to D, so exempting the Company from the requirement to provide a third statement of financial position; and
    - paragraphs 134 to 136, so exempting the Company from presenting capital management disclosures.
- IAS 7 'Statement of cash flows'.
- Paragraphs 30 and 31 of IAS 8 'Accounting policies, changes in accounting estimates and errors', so exempting the Company from disclosing information where it has not applied a new IFRS which has been issued but is not yet effective.

2 Basis of preparation (continued)

- Paragraph 17 of IAS 24 'Related party disclosures', so exempting the Company from disclosing details of key management compensation.
- The requirements in IAS 24 'Related party disclosures' to disclose related party transactions with wholly-owned members of the Group.

The use of critical accounting estimates and management judgment is required in applying the accounting policies. Areas involving a higher degree of judgment or complexity, or where assumptions and estimates are significant to the Company's financial statements, are highlighted in note 4.

3 Summary of significant accounting policies

The significant accounting policies applied are summarised below. They have been consistently applied to both years presented. The explanations of these policies focus on areas where judgment is applied or which are particularly important in the financial statements. Content from accounting standards, amendments and interpretations is excluded where there is no policy choice under IFRS.

Functional and presentation currency
The financial statements are presented in pounds sterling (£), the Company's functional currency.

Foreign currency translation
Experian follows IAS 21 'The effects of changes in foreign exchange rates'.

Impairment of non-financial assets
The Company follows IAS 36 'Impairment of assets'. Goodwill (which is not subject to amortisation or depreciation) is tested at least annually for impairment. Assets that are subject to amortisation or depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment charge is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell, and value-in-use. For the purposes of assessing impairment, assets are grouped into cash generating units ('CGUs'), determined by the lowest levels for which there are separately identifiable cash flows.

Intangible assets (note 12)
The Company follows IAS 38 'Intangible assets' and IAS 36.

UK Company law requires goodwill to be depreciated over its useful life. In the preparation of these financial statements the directors have departed from this requirement to give a true and fair view.

Customer relationships acquired as part of a business combination are capitalised on acquisition at fair value and recognised separately from goodwill. The costs are amortised on a straight-line basis over four to five years.

Software development acquired as part of a business combination is capitalised on acquisition at fair value. The costs are amortised on a straight-line basis over four years.

Capitalised databases, comprising the data purchase and data capture costs of internally developed databases, are amortised on a straight-line basis over three to five years.

Computer software licences purchased for internal use are capitalised on the basis of the costs incurred to purchase and bring into use the specific software. These costs are amortised on a straight-line basis over three to five years.

Internally generated software costs directly associated with the production of identifiable and unique software products controlled by the Company, that will generate economic benefits beyond one year, are recognised as intangible assets. These costs are amortised on a straight-line basis over three to ten years.

Tangible assets (note 13)
Tangible fixed assets are held at cost less accumulated depreciation, in accordance with IAS 16 'Property, plant and equipment'. Depreciation is charged on a straight-line basis, over the following periods:

Freehold buildings	-	50 years
Plant and machinery	-	3 to 10 years
Fixtures and fittings	-	3 to 10 years

Investments in group undertakings (note 14)
Shares in group undertakings are held at cost less accumulated impairment charges.

3 Summary of significant accounting policies (continued)

Investment in associate (note 15)
Interests in associates are accounted for using the equity method. They are initially recognised at cost, which includes transaction costs. Subsequent to initial recognition, the financial statements include the Company's share of the profit or loss and other comprehensive income of equity-accounted investees, until the date on which significant influence ceases.

Trade debtors (note 16)
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 be unable to collect all amounts due according to the original terms of the 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 charges or credits in respect of such provisions and irrecoverable trade debtors are recognised in the profit and loss account within other operating charges.

Trade creditors (note 17)
Trade creditors are recognised initially at fair value. Where the time value of money is material, creditors are then carried at amortised cost using the effective interest rate method.

Post-employment benefit assets and obligations (note 22)
Defined benefit pension arrangements – funded plan
The post-employment benefit assets and obligations recognised in the balance sheet in respect of funded plans comprise the fair value of plan assets less the present value of the related defined benefit obligation at that date. The defined benefit obligation is calculated annually by independent qualified actuaries using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows, using market yields on high-quality corporate sterling bonds with maturity terms consistent with the estimated average term of the related pension liability.

Actuarial gains and losses arising from experience adjustments, and changes in actuarial assumptions, are recognised immediately in the statement of comprehensive income

The pension cost recognised in the profit and loss account comprises the cost of benefits accrued plus interest on the opening net defined benefit asset or obligation. Service costs and financing income and expenses are recognised separately in the profit and loss account. Plan expenses are deducted from the expected return on the plan assets over the year.

Defined benefit pension arrangements – unfunded plans
Unfunded pension obligations are determined and accounted for in accordance with the principles used in respect of the funded arrangements.

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

Post-retirement healthcare obligations
Obligations in respect of post-retirement healthcare plans are calculated annually by independent qualified actuaries using an actuarial methodology similar to that for the pension arrangements. Remeasurement gains and losses arising from experience adjustments, and changes in actuarial assumptions, are recognised in other comprehensive income. The cost recognised in the profit and loss account comprises interest only on the obligation.

Leased assets – operating leases (note 21)
Payments made are charged to the profit and loss account on a straight-line basis over the lease period.

Turnover and revenue recognition (note 5)
Turnover represents the fair value of the consideration receivable on the provision of services to customers, net of VAT and other sales taxes, rebates and discounts. Turnover includes the fair value of 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.

3 Summary of significant accounting policies (continued)

Turnover and revenue recognition (continued)
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 which is generally on the basis of costs incurred to date as a percentage of estimated total costs. 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 turnover is allocated between 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 turnover is recognised on a straight-line basis over the contract period, to reflect the timing of services performed.

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

Tax (note 10)
The tax expense for the year comprises current and deferred tax. The tax charge for the year is recognised in the profit and loss account, except for tax on items recognised in other comprehensive income or directly in shareholders' funds.

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

Deferred tax is provided in full on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply when the asset is realised or the liability settled, based on the tax rates and laws that have been substantively enacted by the balance sheet date.

Deferred tax assets are recognised in respect of tax losses carried forward and other temporary differences, only to the extent that the realisation of the related tax benefit through future taxable profits is probable. Deferred tax assets and liabilities are offset where there is a legally enforceable right to offset current tax assets and liabilities.

Share incentive plans (note 23)
Company employees participate in the Experian plc share-based employee incentive plans. The Company treats such arrangements as equity-settled as Experian plc satisfies the awards in shares. The fair value of share incentives granted in connection with the Group's equity-settled, share-based employee incentive plans is recognised as an expense on a straight-line basis over the vesting period. Fair value is measured using whichever of the Black-Scholes model, Monte Carlo model or closing market price is most appropriate. The Company takes into account the best estimate of the number of awards and options expected to vest and revises such estimates at each balance sheet date. Non-market performance conditions are included in the vesting estimates. Market-based performance conditions are included in the fair value measurement but are not revised for actual performance.

Dividends (note 11)
Dividend income from subsidiary undertakings is recognised when subsidiaries have paid interim dividends or have proposed and authorised final dividends.

Recent accounting developments
There have been no accounting standards, amendments and interpretations effective for the first time in these financial statements which have had a material impact on the financial statements.

There are a number of new standards and amendments to existing standards currently in issue but not yet effective, including three significant standards:

- IFRS 9 'Financial instruments';
- IFRS 15 'Revenue from contracts with customers'; and
- IFRS 16 'Leases'

IFRS 9 and IFRS 15 are effective for the Company for the year ending 31 March 2019 with IFRS 16 effective for the year ending 31 March 2020. Details on the impact of these new standards are set out on pages 113 and 114 of the Experian plc annual report.

There are no other new standards, amendments to existing standards or interpretations that are not yet effective that would be expected to have a material impact on the Company. Such developments are routinely reviewed by the Company and its financial systems are adopted accordingly.

4 Critical accounting estimates, assumptions and judgments

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 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 in future financial years are summarised below. Revenue recognition is excluded from this summary on the grounds that the policy adopted in this areas is sufficiently objective.

Key source of estimation uncertainty – forecasts and discount rates used

The Company tests goodwill for impairment annually or more frequently if events or changes in circumstances indicate that the goodwill may be impaired. The recoverable amount is generally determined on the basis of value-in-use calculations, which require the use of cash flow projections based on approved financial budgets, looking forward up to five years. Management determines budgeted profit margin based on past performance and its expectations for the market's development. Cash flows are extrapolated using estimated growth rates beyond a five-year period. The growth rates used do not exceed the long-term average growth rate for the markets in which the Company operates. The discount rates used reflect the Company's pre-tax weighted average cost of capital ('WACC').

Key area of judgment – intangible assets

Certain costs incurred in the developmental phase of an internal project, which include the development of databases. Internal use software and internally generated software, are capitalised as intangible assets if a number of criteria are met. Management has made judgments and assumptions when assessing whether a project meets these criteria, and on measuring the costs and the economic life attributed to such projects.

On acquisition, specific intangible assets are identified and recognised separately from goodwill and then amortised over their estimated useful lives. These include items such as brand names and customer lists, to which value is first attributed at the time of acquisition. The capitalisation of these assets and the related amortisation charges are based on judgments about the value and economic life of such items.

The economic lives for intangible assets are estimated at between three and ten years for internal projects, which include databases, internal use software and internally generated software, and between four and five years for acquisition intangibles. Further details of the amounts of, and movements in, such assets are given in note 12.

For intangible assets not yet subject to amortisation, the same impairment process is followed as for goodwill above.

5 Turnover

Turnover is predominantly with UK clients and customers.

Turnover by class of business

	2018 £m	2017 £m
Credit Services	**179**	171
Decision Analytics	**179**	165
Marketing Services	**116**	131
Consumer Services	**129**	154
	603	621

6 Staff costs and numbers

Staff costs

	2018 £m	2017 £m
Wages and salaries	**200**	201
Social security costs	**22**	22
Share incentive plans, including related social security costs (note 23)	**11**	5
Pension costs – defined benefit plans (note 22)	**4**	3
Pension costs – defined contribution plans	**13**	12
Total pension costs	**17**	15
	250	243

Wages and salaries include £5m (2017: £2m) of severance costs.

Staff numbers - monthly averages

	2018 Number	2017 Number
Development and delivery	**1,570**	1,592
Administrative and other	**1,084**	1,224
Sales and marketing	**684**	764
	3,338	3,580

7 Directors' remuneration

	2018 £m	2017 £m
Aggregate emoluments (excluding employer's pension contributions)	**2**	2

Retirement benefits are accruing to two directors (2017: one) under a defined contribution pension plan.

Awards of Experian plc ordinary shares were released to three directors (2017: three), under long-term incentive plans and the estimated value is £1,786,000 (2017: £1,473,000). Three directors realised a total gain of £553,000 on exercise of options. (2017: two directors realised a total gain of £155,000 on exercise of options.)

Highest paid director	2018 £'000	2017 £'000
Emoluments (excluding employer's pension contributions)	**1,086**	397

8 Interest payable and similar charges

	2018 £m	2017 £m
Committed facility fee	**1**	-
Interest payable to other group undertakings	**10**	10
Foreign exchange (gains) on intra-group financing	-	(1)
	11	9

9 Profit before tax

Profit before tax is stated after charging / (crediting):

	2018 £m	2017 £m
Depreciation of tangible fixed assets (note 13)	10	10
Amortisation of intangible fixed assets (note 12)	27	27
Total depreciation and other amounts written off tangible and intangible fixed assets	37	37
Profit on disposal of business	(21)	-
Profit on disposal of freehold land and building	(12)	(7)
Operating lease rentals – plant and machinery	6	7
Operating lease rentals – property	5	4

Other operating charges include fees payable to the auditor for the audit of the Company's financial statements of £242,000 (2017: £236,000).

10 Tax on profit

Analysis of charge for the year

Tax expense included in the profit and loss account

	2018 £m	2017 £m
Current tax:		
UK corporation tax on the profit for the year	20	-
Total current tax	20	-
Deferred tax:		
Origination and reversal of timing differences	-	2
Adjustments in respect of prior years	-	(2)
Total deferred tax	-	-
Tax on profit	20	-

Factors affecting the total tax charge for the year

The tax charge for the year is at a rate lower (2017: lower) than the main rate of UK corporation tax of 19% (2017: 20%). The differences are explained below.

10 Tax on profit (continued)

Reconciliation of tax charge

	2018 £m	2017 £m
Profit before tax	**144**	119
Profit multiplied by the main rate of UK corporation tax	27	24
Effects of:		
Adjustment in respect of prior years	-	(2)
Items not taxable	(2)	(2)
Expenses not deductible for tax purposes	2	5
Group relief claimed without payment of consideration	(7)	(25)
Chargeable gain arising on disposal of property	1	1
Utilisation of capital losses to offset chargeable gain	(1)	(1)
Tax charge for the year	**20**	-

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 (2017: £nil).

Factors affecting future tax liabilities

The main rate of UK corporation was reduced to 20% from 1 April 2015. A further reduction to 19% (effective from 1 April 2017) was substantively enacted on 26 October 2015 and an additional reduction to 17% (effective from 1 April 2020) was substantively enacted on 6 September 2016. This will reduce the Company's future tax charge accordingly.

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.

11 Dividends

Interim dividends paid in the year

	2018 £m	2017 £m
Interim dividend of £204.10 per share paid on 5 September 2017	100	-
Interim dividend of £163.28 per share paid on 24 October 2016	-	80
Interim dividend of £204.10 per share paid on 1 September 2016	-	100
	100	180

12 Intangible assets

	Goodwill £m	Customer relation-ships £m	Acquired software development £m	Data-bases £m	Internal use software £m	Internally generated software £m	Total £m
Cost							
At 1 April 2017	250	7	7	92	16	164	536
Additions	-	-	-	5	3	23	31
Disposals	-	-	-	(1)	-	-	(1)
At 31 March 2018	**250**	**7**	**7**	**96**	**19**	**187**	**566**
Amortisation							
At 1 April 2017	109	4	4	79	9	81	286
Amortisation charge for the year	-	2	2	5	3	15	27
Disposals	-	-	-	(1)	-	-	(1)
At 31 March 2018	**109**	**6**	**6**	**83**	**12**	**96**	**312**
Net book amount							
At 31 March 2018	**141**	**1**	**1**	**13**	**7**	**91**	**254**
At 31 March 2017	141	3	3	13	7	83	250

For the purposes of its annual impairment testing of goodwill and intangible assets not yet subject to amortisation, the Company is regarded as a single CGU. The annual impairment review as at 31 March 2018 indicated that the recoverable amount exceeded its carrying value on the basis of an assumption of 12.2% for pre-tax WACC and no long-term growth rate and any reasonably possible changes to these.

Within the total intangibles balances, an asset exists in relation to the Credit Services platform, as at 31 March 2018, the net book value of the asset is £53m (2017: £55m).

13 Tangible assets

	Freehold land and buildings £m	Plant and machinery, fixtures and fittings £m	Total £m
Cost			
At 1 April 2017	11	102	113
Additions	-	10	10
Disposals	(8)	(1)	(9)
At 31 March 2018	**3**	**111**	**114**
Depreciation			
At 1 April 2017	8	74	82
Charge for the year	-	10	10
Disposals	(6)	-	(6)
At 31 March 2018	**2**	**84**	**86**
Net book amount			
At 31 March 2018	**1**	**27**	**28**
At 31 March 2017	3	28	31

14 Investments in group undertakings

	2018 £m	2017 £m
Cost		
At 1 April	709	709
Additions	51	-
At 31 March	**760**	709
Provisions for impairment		
At 1 April and 31 March	**482**	482
Net book amount		
At 31 March	**278**	227
At 1 April	227	227

On 12 September 2017 the Company purchased the remaining 75% of the issued share capital of Runpath Group Limited, providers of creative financial technology for banks, platforms and digital companies.

14 Investments in group undertakings (continued)

The principal subsidiary undertakings as at 31 March 2018 are listed below. The Company directly owns 100% of their ordinary share capital. They are incorporated and registered in England and Wales, registered office address: The Sir John Peace Building Experian Way, Ng2 Business Park, Nottingham, England, NG80 1ZZ.

Name	Nature of business
Experian SURBS Investments Limited	Holds investments to secure pension benefits
Experian International Unlimited	Intra-group financing
Runpath Group Limited	Providers of creative financial technology

Other subsidiary undertakings are listed in note 26. In the opinion of the directors, their results or financial positions are not considered to have principally affected the figures shown in these financial statements.

15 Investment in associate

	2018 £m	2017 £m
Cost		
At 1 April	10	-
Additions	44	10
Fair value adjustment	2	-
Acquisition of controlling stake in associate	(12)	-
At 31 March	**44**	10
Provisions for impairment		
At 1 April and 31 March	**-**	-
Net book amount		
At 31 March	**44**	10
At 1 April	10	-

On 8 June 2016 the Company purchased, for a cash consideration of £10m, 25% of the issued ordinary shares of Runpath Group Limited, providers of creative financial technology for banks, platforms and digital companies.

On 12 September 2017 the Company purchased, for consideration of £41m, the remaining 75% of the issued share capital of Runpath Group Limited (note 14).

On 6 December 2017 the Company purchased, for consideration of £44m, 25% of the issued ordinary shares of London & Country Mortgages Limited, a leading UK mortgage broker specialising in fee-free mortgage advice.

16 Debtors

	2018 £m	2017 £m
Trade debtors	96	95
Amounts owed by group undertakings	190	217
Assets held for sale	-	4
Prepayments and accrued income	40	37
	326	353

Amounts owed by group undertakings are unsecured and repayable on demand and include £144m (2017: £171m) which earns interest at one-month sterling LIBOR less 0.25%. The remaining amounts are interest free.

17 Creditors: amounts falling due within one year

	2018 £m	2017 £m
Trade creditors	25	26
Amounts owed to group undertakings	44	34
Liabilities held for sale	-	2
Other creditors including tax and social security:		
Other creditors	9	7
Tax and social security	44	26
	53	33
Accruals and deferred income	137	144
	259	239

Amounts owed to group undertakings are unsecured, interest free and repayable on demand.

18 Creditors: amounts falling due after more than one year

	2018 £m	2017 £m
Amounts owed to group undertakings	500	500
Accruals and deferred income	15	1
	515	501

Amounts owed to group undertakings comprises an unsecured loan note, repayable on 6 April 2020, which bears interest at six-month sterling LIBOR plus 1.4%.

Accruals and deferred income includes £14m (2017: £nil) of consideration payable in respect of past acquisitions, which is expected to be payable between one and three years from the balance sheet dates.

19 Deferred tax assets and liabilities

There is no deferred tax unprovided at 31 March 2018 or 2017. The deferred tax balance consists of the following deferred tax assets and liabilities:

Asset / (Liability)	Retirement benefit assets deferred tax liability £m	Retirement benefit obligations deferred tax asset £m	Net retirement benefit obligations deferred tax liability £m	Other deferred tax assets £m	Total £m
At 31 March 2016	(4)	3	(1)	13	12
(Charged)/credited to the profit and loss account	1	(1)	-	-	-
(Charged)/credited to other comprehensive income	-	2	2	2	4
At 31 March 2017	(3)	4	1	15	16
(Charged)/credited to the profit and loss account	(1)	-	(1)	1	-
(Charged)/credited to other comprehensive income	-	(2)	(2)	(1)	(3)
At 31 March 2018	**(4)**	**2**	**(2)**	**15**	**13**

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

20 Called up share capital

Allotted and fully paid

	Number of shares allotted	2018 £m	2017 £m
Ordinary shares of £1 each	489,950	-	-

There were no transactions affecting share capital in the year ended 31 March 2018 or 2017.

21 Financial commitments

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

Minimum lease payments under non-cancellable operating leases are payable:

	2018 Land and buildings £m	2018 Plant and machinery £m	2017 Land and buildings £m	2017 Plant and Machinery £m
Within one year	4	5	3	5
In between one and five years	15	10	10	11
In more than five years	2	2	4	4
	21	17	17	20

22 Post-employment benefit assets and obligations

Post-employment benefit plans and related risks

The Company provides pension benefits to eligible employees through membership of the Experian Pension Scheme, a defined benefit pension plan sponsored by itself and Experian Finance plc, but which was closed to new entrants in 2009. This 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 funded accordingly with assets being held in an independently administered fund.

A full actuarial funding valuation of the Experian Pension Scheme 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 2016 by independent, qualified actuaries, Mercer Limited. There was a deficit as at that date. The next full actuarial valuation will be carried out as at 31 March 2019.

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 Plan.

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.

Related risks

Through the Plan and its post-retirement medical benefits arrangements, the Company is exposed to a number of risks that are inherent in such plans and arrangements. The risks can be summarised as follows:

- Asset value volatility, with the associated impact on the assets held in connection with the funding of pension obligations and the related cash flows.
- Changes in bond yields, with any reduction resulting in an increase in the present value of pension obligations mitigated by an increase in the value of plan assets.
- Inflation, as pension obligations are generally linked to inflation and the prevailing rate of inflation experienced for medical benefits is typically higher than other inflation measures in the UK.
- Life expectancy, as pension and medical benefits are generally provided for the life of beneficiaries and their dependants.

There are no unusual, entity-specific or plan-specific risks, and no significant concentrations of risk.

The accounting valuations at 31 March 2018 have been based on the most recent actuarial valuations, updated by Willis Towers Watson to take account of the requirements of IAS 19. The assumptions for the real discount rate, salary increases and mortality, used to calculate the present value of the defined benefit obligations, all have a significant effect on the accounting valuation.

Changes to these assumptions in the light of prevailing conditions may have a significant impact on future valuations. Indications of the sensitivity of the amounts reported at 31 March 2018 to changes in the real discount rate, life expectancy and medical costs are included below. The methods and types of assumptions used are consistent with those used in the prior year and the absolute sensitivity numbers are stated on a basis consistent with the methodology used in determining the accounting valuation as at 31 March 2018. The methodology evaluates the effect of a change in each assumption on the relevant obligations, whilst holding all other assumptions constant.

Experian Limited
Notes to the financial statements (continued)

for the year ended 31 March 2018

22 Post-employment benefit assets and obligations (continued)

Principal financial actuarial assumptions	2018 %	2017 %
Discount rate	**2.4**	2.5
Rate of inflation based on RPI	**3.1**	3.2
Rate of inflation based on CPI	**2.1**	2.2
Rate of increase for salaries	**3.6**	3.7
Rate of increase for pensions in payment – element based on RPI (where cap is 5%)	**2.9**	3.0
Rate of increase for pensions in payment – element based on CPI (where cap is 2.5%)	**1.7**	1.7
Rate of increase for pensions in payment – element based on CPI (where cap is 3%)	**1.8**	1.9
Rate of increase for pensions in deferment	**2.1**	2.2
Rate of increase for medical costs	**6.1**	6.2

The principal financial assumption is the real discount rate, which is the excess of the discount rate over the rate of inflation. The discount rate is based on the market yields on high-quality corporate bonds of a currency and term appropriate to the defined benefit obligations. In the case of the Experian Pension Scheme, the obligations are in sterling and have a maturity of 18 years. If the real discount rate decreased by 0.1%, the defined benefit obligations at 31 March 2018 would increase by approximately £8m and the annual current service cost at 31 March 2018 would increase by approximately £0.1m.

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

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

	2018 Years	2017 Years
For a male currently aged 65	**22.6**	22.8
For a female currently aged 65	**24.9**	25.0
For a male currently aged 50	**23.6**	23.8
For a female currently aged 50	**26.0**	26.1

The accounting valuation assumes that mortality will be in line with standard tables adjusted to reflect the expected experience of the Experian Pension Scheme membership, based on analysis carried out for the 2016 actuarial valuation. A specific allowance for anticipated future improvements in life expectancy is also incorporated. An increase in assumed life expectancy of 0.1 years would increase the defined benefit obligations at 31 March 2018 by approximately £4m.

Post-employment medical benefits
The accounting valuation in respect of post-employment medical benefits assumes a rate of increase for medical costs. If this rate increased by 1.0% per annum, the obligation at 31 March 2018 and the finance expense would remain unchanged. During the year liabilities under this plan were transferred by the Company to Experian Finance plc, a fellow group company.

Increase in salaries
An increase of 0.1% to the salary increase rate would increase the obligation at 31 March 2018 by approximately £1m, and the service charge would remain unchanged.

22 Post-employment benefit assets and obligations (continued)

Post-employment benefit amounts recognised in the financial statements

Balance sheet assets/(obligations)

	2018 £m	2017 £m
Retirement benefit assets/(obligations) – funded plan:		
Fair value of funded plan assets	433	760
Present value of funded plan obligations	(414)	(747)
Assets in the balance sheet for funded defined pension benefits	19	13
Obligations for unfunded post-employment benefits:		
Present value of defined benefit benefits – unfunded plans	(11)	(11)
Present value of post-employment medical benefits	-	(4)
Liabilities in the balance sheet	(11)	(15)
Net post-employment benefit assets / (obligations)	8	(2)

Profit and loss account charge by nature of expense

	2018 £m	2017 £m
Current service cost	4	3
Settlement or curtailment	-	-
Charge within staff costs and operating profit	4	3
Interest income	-	-
Total charge to profit and loss account	4	3

Profit and loss account charge by type of plan

	2018 £m	2017 £m
Defined pension benefits	4	3
Post-employment medical benefits	-	-
Total charge to profit and loss account	4	3

Remeasurement recognised in other comprehensive income

	2018 £m	2017 £m
Defined pension benefits	5	(8)
Post-employment medical benefits	3	-
Total remeasurement recognised in other comprehensive income	8	(8)

22 Post-employment benefit assets and obligations (continued)

Reconciliation of post-employment benefit assets and liabilities recognised in the balance sheet

	Assets £m	Liabilities £m	**Total £m**
At 1 April 2017	760	(762)	(2)
Benefits paid	(32)	32	-
Contributions paid by the Company	6	-	6
Employee contributions	1	(1)	-
Current service cost	-	(4)	(4)
Interest income	18	(18)	-
Remeasurement (losses) / gains	(320)	328	8
At 31 March 2018	433	(425)	8

Pension assets are deemed to be recoverable and there are no adjustments in respect of minimum funding requirements as, under the Experian Pension Scheme rules, future economic benefits are available to Company in the form of reductions in future contributions or refunds of surplus.

Summary of funded plan at fair value

	2018 £m	2017 £m
UK equities	**4**	102
Overseas equities	**140**	260
Index-linked gilts	**136**	212
Global corporate bonds	**63**	114
Investment funds	**43**	71
Liability driven investments	**45**	-
Other	**2**	1
	433	760

Equities and fixed interest securities are stated at bid prices as at balance sheet date.

The assets of the Plan do not include any of the Company's own financial instruments or any property occupied by the Company.

Future contributions

Contributions expected to be paid into the Experian Pension Scheme during the next financial year are £5m (including £2m deficit contribution) by the Company and £1m by its employees.

23 Share incentive plans

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

Cost of share-based compensation

	2018 £m	2017 £m
Share options	1	1
Share awards	9	4
Expense recognised (all equity-settled)	10	5
Related social security costs	1	-
Total expense recognised (all equity-settled)	**11**	5

The Company has a number of equity-settled, share-based employee incentive plans. Further information on share award arrangements is given below. As the numbers of options granted or outstanding under share option plans and the related charge to the Company income statement is not significant, no further disclosures are included in these financial statements.

Share awards
Summary of arrangements and performance conditions

There are three plans under which share awards are currently granted – the two Experian Co-Investment Plans (the 'CIPs') and the Experian Performance Share Plan (the 'PSP'). Awards take the form of a grant of free shares which vest over a service period of three years, with a maximum term generally of the same length, and are settled by share distribution. The assumption at grant date for employee departures prior to vesting is 20% for certain unconditional awards, which are only made under the PSP. Other details in respect of conditional awards are given below. These include an assumed outcome for Group Benchmark PBT per share growth, as that forms the basis of the Profit performance condition for awards made.

	Performance conditions for vesting	Assumed outcome at grant date
CIPs	50% - Profit performance assessed against specified targets	Benchmark PBT per share - 88% of target
	50% - Cumulative Benchmark operating cash flow	Cumulative Benchmark operating cash flow - 74% to 76% of target
PSP	75% - Profit performance assessed against specified targets	Benchmark PBT per share - 81% of target
	25% - Distribution percentage determined by ranking Total Shareholder Return ('TSR') relative to a comparator group	TSR - 28% to 50%

CIPs

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

23 Share incentive plans (continued)

The range of performance conditions for awards under these plans is set out below. The Profit performance condition requires Benchmark PBT per share growth at the stated percentages over a three-year period. The cumulative Benchmark operating cash flow performance condition (the 'Cash flow condition') is based on cumulative Benchmark operating cash flow over a three-year period. The period of assessment commences at the beginning of the financial year of grant. These are not market-based performance conditions as defined by IFRS 2.

	Profit performance condition		Cash flow condition	
Year of award	Target	Maximum	Target	Maximum
Year ended 31 March 2018	4% per annum	8% per annum	US$3.6bn	US$4.0bn
Year ended 31 March 2017	4% per annum	8% per annum	US$3.6bn	US$4.0bn
Year ended 31 March 2016	4% per annum	8% per annum	US$3.6bn	US$4.0bn

PSP

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

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

Movement in number of share awards outstanding - Number of awards

	2018 '000	2017 '000
At 1 April	**2,353**	2,318
New grants	**812**	1,097
Forfeitures	**(136)**	(351)
Vesting	**(578)**	(305)
Cancellations – performance conditions not met	**(178)**	(406)
At 31 March	**2,273**	2,353

Share grants are valued by reference to the market price on the day of award, with no modification for dividend distributions or other factors, as participants are entitled to dividend distributions on awarded shares. Market-based performance conditions are included in the fair value measurement on the grant date and are not revised for actual performance. Awards granted in the year ended 31 March 2018 had a weighted average fair value per share of £15.90 (2017: £13.20).

24 Related party transactions

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 17 include the following sums due by subsidiaries of the Group which were not wholly-owned. These debtors are unsecured and no guarantees have been received.

	2018 £m	2017 £m
Experian Credit Information Company of India Private Limited	-	1
Experian Colombia S.A.	1	1
Experian Italia S.p.A.	2	1
Serasa S.A.	-	1

Charges/(credits) made to those and other non-wholly owned companies during each of the last two years are summarised below.

	2018 £m	2017 £m
Experian Credit Information Company of India Private Limited – IT support costs	-	3
Experian Colombia S.A. – IT support and recharges of shared costs	1	-
Experian Italia S.p.A. – management fee and recharges of shared costs	4	4
Serasa S.A. – IT support and recharges of shared costs	1	-
Experian Bureau de Credito SA – management fee and recharges of shared costs	2	2

25 Other subsidiary undertakings

Other subsidiary undertakings are wholly-owned and their voting shares are directly held.

Name of company	Country of incorporation	Trade/status
ClarityBlue, Inc.	USA	Non-trading
Experian Holdings EURL	France	Non-trading
HD Decisions Limited	England & Wales	Non-trading
International Communication & Data Limited	England & Wales	Dormant
QAS Limited	England & Wales	Dormant
Tallyman Australia Pty Limited (indirectly held)	Australia	Non-trading
Tallyman Limited	England & Wales	Dormant
Techlightenment Ltd	England & Wales	Dormant
The 41st Parameter Ltd.	England & Wales	Dormant
X88 Software Limited	England & Wales	Dormant

26 Ultimate parent undertaking and controlling party

The Company's 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 only 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, D17 AY61, Ireland.