

Experian Limited

Annual report and financial statements
for the year ended 31 March 2021

Company registered number 00653331

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Experian Limited
Annual report and financial statements
for the year ended 31 March 2021

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Experian Limited

Directors and other information

Directors

J M Cattnach
S J Deane
D J Bates
S M Cooper
J L T Rossi (appointed 7 April 2020)

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 2021

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 two main business activities: Business-to-Business ('B2B') and Consumer Services. B2B comprises two sub-sections – Data and Decisioning. Descriptions of each of the business activities, their competitive environments and market influences, together with an overview of the Group's business model and strategy, can be found on pages 20 to 37 of the Experian plc Annual Report for the year ended 31 March 2021 (the 'Experian Annual Report'), which does not form part of this report.

Review of the business

The UK business proved resilient in the face of the challenges caused by the COVID-19 pandemic. We made good progress with our transformation programme as we continue to simplify and modernise our technology estate and resume profitable growth. Full year revenue in the UK was £551m. Total revenue growth was (4%). B2B declined by 4% and Consumer Services declined by 6% as the wider economic disruption impacted trading. However, we exited the final quarter with total revenue growth of 1% and delivered much-improved margin performance in H2 compared to H1.

Revenues in B2B were down for much of the year due to reductions in UK bank consumer lending and reduced demand for software investment. We successfully pivoted towards COVID-19 support propositions, including supporting government loan schemes and, as a result, business credit volumes remained robust. Transaction volumes strengthened towards the end of the year as lenders reactivated programmes.

Consumer Services also had a difficult year, however we were able to launch strategic new product initiatives and saw a promising trajectory across membership and transactions later in the year.

The profit for the financial year was £7m (2020: £32m) which reflected the one-off impairment charges taken during the year and a partial flow through impact of the reduction in revenue due to the COVID-19 pandemic. The Company was able to absorb the impact of COVID-19 pandemic without seeking any Government support and no employees were placed on furlough. Independent of the impact of the pandemic, the Company executed on an operational restructure during the year. This restructuring, together with a reduction in future amortisation relating to the impairment, should improve profitability in future years.

Results and dividends

The 2021 results and the financial position at the year-end are considered satisfactory by the directors.

No interim dividends were paid in the financial period under review. An interim dividend of £204.10 per share, whose total cost amounted to £100m was paid in the prior financial year.

Post balance sheet events

The directors note that there has been no material event since the balance sheet date.

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 72 to 80 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.

The continued disruption of COVID-19 has impacted several of our principal risks, the details of which are set out on pages 72 to 80 of the Experian Annual Report. During the year, we implemented multiple senior management steering groups to understand, analyse and seek to mitigate the impact of COVID-19. Our first priority continues to be the health, safety and well-being of our employees, clients and consumers.

Experian Limited

Strategic report (continued)

During the year we have received a final enforcement notice from the UK Information Commissioner's Office (ICO) with respect to an audit they have carried out. Further information is provided in note 30.

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 16 and 17 of the Experian Annual Report.

Section 172(1) Statement and engagement with stakeholders

Section 172 defines the duties of company directors and concerns the duty to promote the success of companies. In the year ended 31 March 2021, the directors of the Company continued to exercise these duties while having regard to the s172 matters, and also to other relevant factors as they reviewed and considered proposals from senior management, and as they governed the Company through the Board and its committees. The s172 matters are also considered across the wider Experian Group in the review of relevant proposals.

The Company and the Experian Group depend on the trust and confidence of its stakeholders to operate sustainably in the long term. We seek to put consumers and customers' best interests first, invest in employees, support the communities in which we operate and strive to generate sustainable profits.

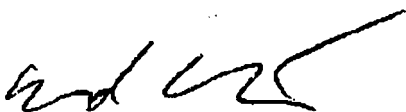
The Company is a wholly-owned subsidiary of Experian plc and, as such, the ways in which s172 matters are considered by the Company are materially similar to the ways those matters are considered throughout the Experian Group. Examples of how the Group engaged with stakeholders are detailed on page 57 of the Experian Annual Report.

An example of how the Board had regard to matters set out in section 172(1)(a)-(f) when discharging its duties during the year ended 31 March 2021, and the effect of that on decisions taken by it, is the long-term funding for the Company. Throughout the year, the Board assessed the strength of the Company's balance sheet and future prospects relative to uncertainties in the external environment. During the financial year ended 31 March 2021, the Board were aware that the Company's main debt funding was in the form of loan notes issued to a Group company Experian Finance plc, totalling £500 million. It was recommended that the company enter into a new Committed Facility in the amount of £100 million. In making this decision, the Board considered a range of factors. These included the long-term viability of the Company, its expected cash flows and financing requirements as well as the expectation of the sole shareholder. The Board also recognises that government, including regulators, are a key stakeholder of the Company, and the Board receives regular updates on all regulator interactions and convenes ad hoc meetings when required for any material decision related to regulation.

The Group's vision, purpose and values and sustainability strategy, which includes engagement with the community and protection of the environment, are set out in the Experian Annual Report (pages 26 to 56), and the Group's governance framework, which is consistent with the 2018 UK Corporate Governance Code, applied to the Company during the year. Further information on the Company's own governance arrangements appear below. In addition, the Company relies on resources made available by the Group including staff and suppliers who are respectively employed and contracted by other Group entities.

The Directors consider the likely consequences of any decision in the long-term and, as a member of the Experian Group, the Company complies with Group policies consistent with the Group's culture in all key areas including supplier management and outsourcing, customer conduct, human resources and the environment.

The Directors and management operate the business in a responsible manner with the aim of ensuring that the Company maintains a reputation for high standards of business conduct and good governance. There is a Group Code of Conduct which applies to the Company and which embodies the Group's culture, purpose and values. The Code of Conduct provides guidance to the Company's employees and contractors on the high standards of professional and ethical conduct expected of them and aims to preserve the Group's and the Company's reputation for high standards of conduct. The Company publishes a Modern Slavery Statement each year and it can be found here <https://www.experian.co.uk/responsibilities/corporate-responsibility/slavery-and-human-traffic-statement>.



D J Bates
Director

6 October 2021

The Company's registered number is 00653331.

Experian Limited

Directors' report

The directors present their report and the audited financial statements for the year ended 31 March 2021. 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 2021 and 2022, but the directors remain confident that the Company will continue to trade profitably in the future.

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.

Going Concern

Details of the adoption of the going concern basis in preparation of the Company financial statements are set out in note 2 and are incorporated into this report by reference.

Directors

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

J M Cattanach

S J Deane

D J Bates

S M Cooper

J L T Rossi (appointed 7 April 2020)

Mr Cooper 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 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, virtual conferences and meetings, publications, and an internal social media news platform.

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)

Employee engagement statement

The Company values the wellbeing of employees. A series of Experian Group Global People 'Pulse Surveys' were carried out throughout the pandemic initially on a monthly then quarterly basis. All employees of the Company were invited to participate. The results were communicated regularly across the UK & Ireland region and action plans were put in place to address any concerns identified. The UK's listening strategy continues to evolve. In June 2021, Experian Globally participated in the 'Great Place to Work Survey' and received accreditation in the UK and Ireland. In addition, the business continues to invest in understanding employee sentiment and during key moments of the employee lifecycle e.g. new joiners (30 days), onboarding (90 days), exit (voluntary leavers) as well as surveys to People Managers for recent hires.

In order to enable all colleagues to bring their whole selves to work, the Company has a number of employee network groups (Black at Experian, Pride network, Working Families, Women in Experian, Menopause Community, Autistic Employees of Experian, Islamic Faith Network, Christian Group, everyMind, STEM network, Reach network, Disability network). These groups provide support, education and strategic counsel. Our Wellbeing strategy supports our colleagues mental, physical and financial wellbeing through a set of core and flexible benefits, resources, education and support.

During the year ended 31 March 2021, we introduced a strategic narrative in the form of a Story. A Story that allowed us to set the context for the critical work that we must do to rediscover our entrepreneurial spirit and desire to win. It articulates our vision, the commitments we have made as a leadership team and provides the context for our new ways of working – a Story the whole business can get behind.

In teams and across each business area, we have used the Story as a shared reference point and common purpose, to help set the context for our strategy. In FY22, we have again aligned our UK&I goals to the Commitments made in the Story.

The Company believes that the engagement and morale of employees, and their pride in working for the Company, is linked to its reputation within the community. The Group and the Company seek to align their giving with their employees' interest through social committees and volunteering days.

In April 2020, we introduced a new global social media platform, as part of our pandemic response and in order to help us maintain engagement and deliver regular communication on a single platform. It also gave employees a forum in which to share information and exchange views.

The Company firmly believes in the value of employee share ownership and encourages employees to participate in the Experian Group's Sharesave offering, which is a tax efficient plan in the UK & Ireland and allows employees to share in the Experian Group's growth and success. Around 67% of UK & Ireland employees participate in Sharesave and the average profit received by UK employees at maturity during the year ended 31 March 2021 was £5,125. Experian has been a Living Wage employer in the United Kingdom since 2015.

One of the Groups guiding principles is to protect our people – the wellbeing of our people is paramount – protecting our employee's physical and mental health, as well as keeping our clients and suppliers safe and healthy. To work with either the Company or the Group, suppliers must accept our ethical standards or confirm they have equivalent standards in place. We conduct risk assessments and any suppliers identified as high risk for bribery or corruption are referred to the Compliance team for further due diligence, including an assessment of corruption, regulatory and reputational risks.

Our diverse, equitable and inclusive (DEI) Agenda

A diverse, equitable and inclusive workplace is integral to our purpose and ultimately to our success as a business. We want to be one of the best companies, in the world, to work for. Creating an environment where people of all backgrounds have the support to grow and succeed is a prerequisite for this. This also means we can set the pace and ultimately ensure that we have the policies, practices, structures, inclusive culture and mindset to shift representation in minority groups and provide equality of opportunity.

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.

Experian Limited

Directors' report (continued)

Statement of corporate governance arrangements

The Companies (Miscellaneous Reporting) Regulations 2018 introduced a number of new reporting requirements for financial years beginning on or after 1 January 2019. One of the requirements was for companies of a significant size to disclose their corporate governance arrangements in the Directors' report. The financial year ended 31 March 2021 is the Company's second reporting year under the new requirement. The Company is required to state which formal governance code, if any, it applied during the year (and how it was applied) or, if it has not applied any corporate governance code, explain why one was not applied and the corporate governance arrangements for the year.

The Board considered and discussed the recommendation of management, noting that it was a wholly-owned subsidiary of a FTSE100 premium-listed company (Experian plc) that applies the UK Corporate Governance Code (the "Code"), and the existing high governance standards in the Group (which are equally applicable to the Company, and which include a Global Delegated Authorities Matrix, supported by regional matrices, and robust governance structures within the Group (including the Group Operating Committee, the Executive Risk Management Committee, the Assurance Steering Committee, the Security & Continuity Steering Committee, the Tax & Treasury Committee and the Global Strategic Projects Committee)). The Board noted that these Group governance forums were in place in some form at a regional level, and were comprised of the most senior regional executives, and in addition that there were already robust governance structures in place within the Company itself, which include: -

- a. A Board which includes independent Non-Executive Directors/Chairman.
- b. Audit and Remuneration Committees comprised of independent Non-Executive Directors.
- c. A formal Schedule of Matters Reserved to the Board, and formal committee terms of reference.
- d. A UK & Ireland Executive Governance Manual.
- e. The UK & Ireland Risk Management Committee, which is comprised of senior regional executives and oversees the management of regional risks.

With all the above in place, the Board concluded that the adoption of a formal governance code would not materially enhance the corporate governance of the Company itself, and it resolved that the Company would not adopt a corporate governance code and instead explain the arrangements for corporate governance that were applied by the Company during the year ended 31 March 2021.

The aim of this report on corporate governance arrangements is to explain in clear terms the governance processes and procedures that are in place in the Company, which are essential for the delivery of the long-term sustainable success of the Company. These processes ensure we report in line with all applicable laws and regulations and consider the requirements of our relevant stakeholders in Board discussions and decision-making.

The Board

The Board is made up of two independent Non-Executive Directors and three Executive Directors.

The Chairman of the Company is Steven Cooper, an independent Non-Executive Director. The other members of the Board are Jose Luiz Rossi (Managing Director), David Bates (Chief Financial Officer), Julia Cattanach (Chief Risk Officer) and Stuart Deane (independent Non-Executive Director). Stuart Deane is the chairman of both the Audit and Remuneration Committees, and both independent Non-Executive Directors are the only members of both the Audit and Remuneration Committees.

Soon after appointment, Independent Non-Executive Directors receive comprehensive induction. The inductions include business sessions (including Business-to-Business, Consumer Services and the Data Office). Sessions are also provided on risk management, legal, compliance and regulation, People, internal and external audit, and a financial overview.

The Board is responsible for setting the Company's strategy and ensuring that the necessary resources are available for long-term sustainable success. During the year, senior management discusses the proposed strategic plan with the Board, including clarity of purpose around the key roles that Experian plays in society and our associated responsibilities. This working session allows the Non-Executive Directors to provide their expertise and experience as the strategy is being developed, before considering it for approval.

The budget discussions during the year ensure that we have the right resources to deliver the agreed strategy, taking into consideration this year the changing economic outlook due to COVID-19. The Board monitors management and financial performance against the Company's objectives. To enable it to do this, the Board receives updates on financial matters, at and between every scheduled Board meeting, as well as important updates on regulatory matters. The Board is responsible for establishing procedures to manage risk, overseeing the internal control framework, and

Experian Limited

Directors' report (continued)

determining the nature and extent of the principal risks the Company is willing to take to achieve its strategic objectives.

The Board meets sufficiently frequent to discharge its duties and holds additional meetings when required, for example to review specific investment proposals. Board committee meetings take place on the same day as scheduled Board meetings. Spending this time together further enhances the effectiveness of the Board and its committees and contributes to the cohesive and collegiate Board culture.

Attendance at Board and committee meetings

	Board	Audit Committee	Remuneration Committee
Current directors			
Steve Cooper	11/11	5/5	3/3
José Luiz Rossi	11/11	n/a	n/a
David Bates	11/11	n/a	n/a
Julia Cattanach	11/11	n/a	n/a
Stuart Deane	11/11	5/5	3/3

The Board has reserved decisions about certain key activities to itself, including:

- A. Strategy and management – Formulating, approving and executing key policy and strategic matters, formulating, determining, approving, setting, monitoring, reviewing and altering the direction of the business.
- B. Customers - Evaluating the business of the Company to ensure that customers are consistently treated fairly and in such a way that they may have confidence when dealing with the Company.
- C. Structure and capital – Any increase in the share capital or loan capital of the Company or the issue of any warrants or other securities.
- D. Financial reporting and controls – The approval of the audited annual accounts.
- E. Contracts – Entering into any joint venture, alliance or collaboration agreement, or any similar agreement likely to have a material effect on the business, entering into any material outsource arrangement, the commencement of a new business line or any contract between the Company or any subsidiary or Director.
- F. Risk, Regulation, Compliance, Internal controls – Evaluating the risk profile of the Company and executing strategies to mitigate risk, reviewing the Company's compliance with regulation, reviewing reports from the Head of Compliance and Chief Risk Officer.
- G. Board membership/Delegation of authority/Corporate governance matters/Policies – approval of changes to Board composition, delegation to the Directors, the UK & Ireland Executive team and others certain responsibilities and powers of the Board, reviewing governance arrangements, establishing and reviewing policies for the recruitment, training and performance evaluation of employees and noting and approving relevant policies.

Activities of the Board during the year ended 31 March 2021: -

- Evaluated and discussed the proposed UK & Ireland strategic plan with senior management at the formulation stage, and later approved the UK & Ireland strategic plan.
- Reviewed operational and financial updates from the Managing Director and the Chief Financial Officer at each scheduled Board meeting
- Reviewed and discussed regulatory updates with the Chief Risk Officer at each scheduled Board meeting, and received regular updates on regulatory matters, including updates on ongoing engagement.
- Reviewed and approved risk appetite statements for the Company.
- Reviewed and approved the annual report and accounts and letter of representation, entry into a loan note instrument, transfer pricing matters, reporting currency and Experian Group recharges.

Experian Limited

Directors' report (continued)

- Received and discussed the FY21 Budget overview presentation, including productivity enhancements.
- At each scheduled meeting, discussed updates from management on risk management (including top risks and culture), information security, business continuity, and compliance (including financial crime reporting).
- Received updates and discussed with management the review by the Financial Conduct Authority of the Company's governance, systems and controls.
- Considered and debated briefings and updates from management regarding the ongoing discussions and engagement with the Information Commissioner's Office on the 2018 audit of several companies including the Company, under the EU General Data Protection Regulation (GDPR) on the use of data for marketing purposes.
- Reviewed and approved the Modern Slavery Act statement for publication on the Company's website.
- Reviewed the Company's Executive Governance Manual, and the Global Treasury Policy & Treasury Management standards and Risk Management Policy.
- Reviewed Directors' conflicts of interest, and corporate governance updates.

Experian plc provides each subsidiary company with access to resources and provides policies in all key areas such as finance, risk, human resources and the environment. These central resources and policies are aligned to the Group's governance framework, which is consistent with the UK Corporate Governance Code. During the year, the Company complied with the Group's governance framework. The full details of the Group's wider governance framework can be found on page 93 of the Experian Annual Report.

Audit Committee

Stuart Deane is the chairman of the Audit Committee and has chaired the Committee since it was established in 2016. Both members of the Committee are Independent Non-Executive Directors and the Board considers them to have an appropriate level of experience and expertise. The Committee met five times during the year, with each scheduled meeting timed to coincide with key dates in the financial reporting and audit cycle. Regular attendees at the meetings included the Executive Directors, Regional Head of Internal Audit and representatives from KPMG LLP (the external auditor).

The Board believes the Audit Committee to be a central pillar for effective corporate governance by providing independent and impartial oversight of the Company's financial reporting, and internal and external audit. As a Committee, responsibilities include: -

- Monitoring the integrity of the financial statements and reviewing significant financial reporting judgments contained in them.
- Reviewing the effectiveness of the external audit process, including the independence and objectivity of the external auditor.
- Monitoring the Company's internal audit arrangements, including approval of the internal audit annual plan and ensuring that the function is adequately resourced and ensuring that the Company is responsive to audit findings.

The activities of the Committee during the year ended 31 March 2021 included: -

- An Internal Audit update was presented by the Regional Head of Internal Audit at each meeting, and discussed by the Committee, including the status of the audit plan, audit findings and themes in the reporting period, and progress on any overdue audit actions.
- Reviewed the terms of reference of Internal Audit and of the Committee.
- Evaluated the performance of Internal Audit.
- Considered the 2021 external audit plan with the external auditor, including its scope and materiality. The plan included the external auditor's response to developments in the business during the year, developments in the audit process, the Group's risk assessment and the coverage of the audit.
- Discussed and approved the 2020 annual report and accounts, and associated papers/management updates.
- Debated with the external auditor their review of the 2020 annual report and accounts, and reviewed the representation letter and independence considerations.
- Reviewed non-audit fees, and the Group's non-audit fee policy.

Experian Limited

Directors' report (continued)

- Reviewed Confidential Helpline updates.
- Received and considered updates on access management and a loss event from senior executives.

Remuneration Committee

Stuart Deane is also the chairman of the Remuneration Committee, which he has chaired since it was established in 2016. Both members of the Committee are independent Non-Executive Directors. The Committee met three times during the year. Regular attendees include the Managing Director and the HR Director UK & Ireland. Each year the Committee's terms of reference are reviewed and updated if considered appropriate.

The responsibilities of the Committee include: -

- Reviewing the Experian global remuneration policy, to ensure alignment to the Company.
- Applying and overseeing the implementation of any major changes in the Company's employee benefit structure.
- Ensuring control function employees of the Company are adequately and objectively remunerated.
- Reviewing and approving the remuneration packages of the Executive Directors.

During the year ended 31 March 2021, the Committee: -

- Received an update on the FY20 rating distribution for the UK & Ireland.
- Discussed and approved the UK & Ireland Reward Policy.
- Considered an update from management on driving high performance in the business.
- Reviewed and approved remuneration proposals (bonus, outturn and outcomes, salary, long-term incentives) for the Managing Director, Chief Financial Officer and Chief Risk Officer.
- Agreed bonus metrics for compliance and risk employees of the Company, reviewed Company incentive plan measures, and considered interim bonus performance outcomes.
- Received and considered updates on Gender Pay Gap reporting.
- Approved the FY21 bonus for executives

Risk management and internal control

The full details of the Group's risk management and internal control systems and processes can be found in the Risk management section of the Experian Annual Report (Strategic Report – page 72)

Stakeholder engagement

The Board fully recognises the importance of considering the Company's responsibilities and duties to both its shareholders and stakeholders as defined in section 172 of the UK Companies Act 2006. All material business cases considered in the Experian Group, including the Company (for example, mergers, acquisitions and major capital investments) include an analysis of stakeholder impact considerations, anticipated impact and mitigations. This process helps the relevant board to perform the duties outlined in section 172 of the UK Companies Act 2006 and provides assurance to that board that potential impacts on stakeholders have been considered in the development of proposals.

Information on stakeholder engagement for the wider Experian Group is provided on pages 24 and 94 to 96 of the Experian Annual Report.

Experian Limited

Directors' report (continued)

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

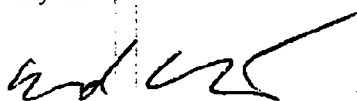
As at the date this report was signed, so far as each director is aware:

- 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



D J Bates
Director

6 October 2021

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 2021 which comprise the Profit and Loss Account, Statement of Comprehensive Income, Balance Sheet, 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 2021 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

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the company or to cease its operations, and as they have concluded that the company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the directors' conclusions, we considered the inherent risks to the company's business model and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the company will continue in operation.

Fraud and breaches of laws and regulations – ability to detect

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of directors, internal audit and inspection of policy documentation as to the Company's high-level policies and procedures to prevent and detect fraud, including the internal audit function, and the Company's channel for "whistleblowing", as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Reading Board and Audit Committee meeting minutes.
- Considering remuneration incentive schemes and performance targets.
- Using analytical procedures to identify any unusual or unexpected relationships.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards, and taking into account possible pressures to meet profit targets, we perform procedures to address the risk of management override of controls and the risk of fraudulent revenue recognition, in

Experian Limited

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

particular the risk that Software Licence and Professional Services revenue is recorded in the wrong period and the risk that management may be in a position to make inappropriate accounting entries.

We did not identify any additional fraud risks.

In determining the audit procedures we took into account the results of our evaluation and testing of the operating effectiveness of some of the Company-wide fraud risk management controls.

We also performed procedures including:

- Identifying journal entries to test based on risk criteria and comparing the identified entries to supporting documentation. These included those posted by senior finance management, those posted to unusual accounts, and those with unusual descriptions.
- Assessing significant accounting estimates for bias.

Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience, and through discussion with the directors and other management (as required by auditing standards), and from inspection of the Company's regulatory and legal correspondence and discussed with the directors and other management the policies and procedures regarding compliance with laws and regulations.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the Company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation, taxation legislation, and pension legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the Company is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: data protection legislation, health and safety, anti-bribery, employment law, and certain aspects of company legislation recognising the nature of the Company's activities. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and other management and inspection of regulatory and legal correspondence, if any. Therefore if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

For the ICO matter discussed in note 30 we assessed disclosures against our understanding from legal correspondence.

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

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;

Experian Limited

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

- 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 10, 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.

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.



Adam Craig (Senior Statutory Auditor)

for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants

St Nicholas House

Park Row

Nottingham

NG1 6FQ

13 October 2021

Experian Limited
Profit and loss account
for the year ended 31 March 2021

	Notes	2021 £m	2020 £m
Turnover	5	551	576
Staff costs	6	(262)	(237)
Own work capitalised ¹		54	62
Depreciation of tangible and intangible fixed assets, excluding impairment charge	10	(59)	(54)
Impairment of tangible and intangible fixed assets	10	(24)	-
Depreciation and other amounts written off of tangible and intangible assets		(83)	(54)
Other operating charges		(237)	(292)
Operating profit		23	55
Share of profit/(loss) from investment in associate	16	(3)	3
Other interest receivable	8	1	2
Interest payable and similar charges	9	(10)	(14)
Profit before tax	10	11	46
Tax on profit	11	(4)	(14)
Profit for the financial year		7	32

¹ Own work capitalised includes both direct and recharged labour costs. A proportion of the assets capitalised are subsequently transferred to other subsidiaries of Experian plc.

Experian Limited
Statement of comprehensive income
for the year ended 31 March 2021

	Notes	2021 £m	2020 £m
Profit for the financial year		7	32
Other comprehensive income: items that will not be reclassified to profit or loss			
Remeasurement losses on pension assets and obligations	26	3	10
Deferred tax in respect of remeasurement gains	20	(1)	(2)
Tax recognised directly in equity on transactions with owners	20	-	(1)
Current year tax movement through reserves		2	2
Total comprehensive income for the financial year		11	41

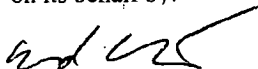
Experian Limited

Balance sheet

at 31 March 2021

	Notes	2021 £m	2020 £m
Non-current assets			
Intangible assets	13	244	257
Tangible assets	14	23	34
Right of use assets	14	26	23
Investments in group undertakings	15	278	298
Investment in associate	16	44	47
Deferred tax	20	10	9
Post-employment benefit assets	26	44	38
Debtors	17	17	22
		686	728
Current assets			
Debtors	17	438	338
Cash at bank and in hand		1	-
		439	338
Current liabilities			
Creditors: amounts falling due within one year	18	(247)	(298)
Lease liabilities	25	(12)	(9)
Net current assets		180	31
Total assets less current liabilities		866	759
Creditors: amounts falling due after more than one year	19	(522)	(519)
Lease liabilities	25	(16)	(16)
Post-employment benefit liabilities	26	(12)	(11)
Net assets		316	213
Equity			
Called up share capital	21	80	-
Share premium account	22	17	17
Profit and loss account	23	219	196
Total shareholder's funds		316	213

The financial statements on pages 14 to 44 were approved by the board of directors on 6 October 2021 and signed on its behalf by:



D J Bates
Director

The Company's registered number is 00653331.

Experian Limited

Statement of changes in equity

year ended 31 March 2021

	Called up share capital £m	Share premium account £m	Capital redemption reserve ¹ £m	Profit and loss account £m	Total £m
At 1 April 2019	-	17	-	245	262
Profit for the financial year	-	-	-	32	32
<i>Other comprehensive income for the year:</i>					
Remeasurement loss on pension plan (note 26)	-	-	-	10	10
Movement on deferred tax relating to remeasurement	-	-	-	(2)	(2)
Tax recognised directly in equity on transactions with owners	-	-	-	(1)	(1)
Current year tax movement through reserves	-	-	-	2	2
Total comprehensive income for the year	-	-	-	41	41
Transactions with owners					
Credit in respect of share incentive plans	-	-	-	10	10
Interim dividends paid	-	-	-	(100)	(100)
Total transactions with owners	-	-	-	(90)	(90)
At 31 March 2020	-	17	-	196	213
Profit for the financial year	-	-	-	17	17
<i>Other comprehensive income for the year:</i>					
Remeasurement loss on pension plan (note 26)	-	-	-	3	3
Movement on deferred tax relating to remeasurement (note 20)	-	-	-	(1)	(1)
Tax recognised directly in equity on transactions with owners (note 20)	-	-	-	-	-
Current year tax movement through reserves	-	-	-	2	2
Total comprehensive income for the year	-	-	-	11	11
Transactions with owners					
Credit in respect of share incentive plans	-	-	-	13	13
Shares issued during the financial period (note 21)	80	-	-	-	80
Employee share incentive plan – other payments	-	-	-	(1)	(1)
Total transactions with owners	80	-	-	12	92
At 31 March 2021	80	17	-	219	316

¹ The balance on the Company's capital redemption reserve amounted to £5,000 (2020: £5,000).

Experian Limited

Notes to the financial statements

for the year ended 31 March 2021

1 Corporate information

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

2 Basis of preparation

These financial statements have been prepared on the going concern basis, under the historical cost convention and in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework ('FRS 101'). In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of international accounting standards in conformity with the requirements of the Companies Act 2006, but makes amendments where necessary to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

Going concern

The Company is party to the Experian group-wide cash pooling arrangement, with the Company's cash flows all being directed through this facility (which results in an amount owed by group undertakings of £223,000,000 at 31 March 2021). It is this facility through which the Company meets its day-to-day working capital requirements.

In adopting the going concern basis for preparing these financial statements, the directors have considered the business activities, the principal risks and uncertainties and the other matters that could threaten the long-term financial stability of the Company, including the impact of COVID-19 and any severe but plausible downside scenarios this could create. Given the net current assets of £180,000,000 at 31 March 2021 the directors believe that the Company is well placed to manage its financing and other business risks satisfactorily and have a reasonable expectation that the Company will have adequate resources, including the ongoing availability of funds under the Group's cash pooling arrangements and inter-group loan notes, to continue in operational existence.

The Directors therefore consider it appropriate to adopt the going concern basis of accounting in preparing these 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:

- Paragraphs 45(b) and 46 to 52 of IFRS 2 'Share-based Payment', exempting the Company from providing details of share options and of how the fair value of services received was determined.
- IFRS 7 'Financial Instruments: Disclosures'.
- Paragraphs 91 to 99 of IFRS 13 'Fair Value Measurement', 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', 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.

Experian Limited

Notes to the financial statements (continued)

for the year ended 31 March 2021

2 Basis of preparation (continued)

- The following paragraphs of IAS 1:
 - paragraphs 10(d) and 111, exempting the Company from providing a cash flow statement and information;
 - paragraph 16, exempting the Company from providing a statement of compliance with all IFRS;
 - paragraph 38A, exempting the Company from the requirement for a minimum of two of each primary statement and the related notes;
 - paragraphs 38B to D, exempting the Company from the requirement to provide additional comparative information; and
 - paragraphs 134 to 136, 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', exempting the Company from disclosing information where it has not applied a new IFRS which has been issued but is not yet effective.
- Paragraph 17 of IAS 24 'Related Party Disclosures', exempting the Company from disclosing details of key management compensation; and
- The requirements in IAS 24 'Related Party Disclosures' to disclose related party transactions with wholly-owned members of the Group.
- The requirements of the second sentence of paragraph 110 and paragraphs 113(a), 114, 115, 118, 119(a) to (c), 120 to 127 and 129 of IFRS 15 'Revenue from Contracts with Customers', exempting the Company from the requirement to provide additional revenue disclosure information.

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

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 13)

The Company follows IAS 38 'Intangible assets' and IAS 36.

Goodwill is stated at cost less any accumulated impairment. Goodwill is not amortised but tested annually for impairment.

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.

Experian Limited

Notes to the financial statements (continued)

for the year ended 31 March 2021

3 Summary of significant accounting policies (continued)

Intangible assets (continued)

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 14)

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 15)

Shares in group undertakings are held at cost less accumulated impairment charges.

Investment in associates (note 16)

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 17)

Trade debtors and contract assets are initially recognised at fair value and subsequently measured at this value less loss allowances. Where the time value of money is material, debtors are then carried at amortised cost using the effective interest rate method, less loss allowances.

A loss allowance is established when there is objective evidence that we will not be able to collect all amounts due according to their original terms. Such evidence is based primarily on the pattern of cash received, compared to the terms upon which contract assets and receivables are agreed. We apply the IFRS 9 simplified lifetime expected credit loss approach. Expected credit losses are determined using a combination of historical experience and forward-looking information. Impairment losses or credits in respect of trade debtors and contract assets are recognised in the profit and loss account, within other operating charges.

Trade creditors (note 18)

Trade creditors and contract liabilities are recognised initially at fair value. Where the time value of money is material, creditors and contract liabilities are then carried at amortised cost using the effective interest rate method.

Leases (note 25)

The Company undertakes an assessment of whether a contract is or contains a lease at its inception. The assessment establishes whether the Company obtains substantially all the economic benefits from the use of an asset and whether we have the right to direct its use.

Low-value lease payments are recognised as an expense, on a straight-line basis over the lease term. For other leases we recognise both a right-of-use asset and a lease liability at the commencement date of a lease contract.

The right-of-use asset is initially measured at cost, comprising the initial amount of the lease liability adjusted for payments made at or before the commencement date, plus initial direct costs and an estimate of the cost of any obligation to refurbish the asset or site, less lease incentives.

Subsequently, right-of-use assets are measured at cost less accumulated depreciation and impairment losses and are adjusted for any remeasurement of the lease liability. Depreciation is calculated on a straight-line basis over the shorter of the lease period or the estimated useful life of the right-of-use asset, which is determined on a basis consistent with purchased assets (see tangible asset accounting policy stated above).

Experian Limited

Notes to the financial statements (continued)

for the year ended 31 March 2021

3 Summary of significant accounting policies (continued)

Leases (continued)

The lease term comprises the non-cancellable period of a lease, plus periods covered by an extension option, if it is reasonably certain to be exercised, and periods covered by a termination option if it is reasonably certain not to be exercised.

The lease liability is initially measured at the present value of lease payments that are not paid at the commencement date, discounted at the interest rate implicit in the lease or if that rate cannot be easily determined the Company's incremental borrowing rate.

Lease payments comprise payments of fixed principal, less any lease incentives, variable elements linked to an index, guaranteed residuals or buy-out options that are reasonably certain to be exercised. It includes payments in respect of optional renewal periods where these are reasonably certain to be exercised or early termination payments where the lease term reflects such an option.

The lease liability is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option.

When a lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recognised in the Company income statement if the asset is fully depreciated.

The Company presents right-of-use assets within property, plant and equipment and lease liabilities in the Company balance sheet.

Post-employment benefit assets and obligations (note 26)

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 pounds 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.

Experian Limited

Notes to the financial statements (continued)

for the year ended 31 March 2021

3 Summary of significant accounting policies (continued)

Turnover and revenue recognition (note 5)

Turnover is stated net of any sales taxes, rebates and discounts.

Revenue recognition

Turnover is recognised to represent the transfer of promised services to customers in a way that reflects the consideration expected to be received in return. Total consideration from contracts with customers is allocated to the performance obligations identified based on their standalone selling price, and is recognised when those performance obligations are satisfied and the control of goods or services is transferred to the customer, either over time or at a point in time.

- Turnover in respect of the provision and processing of transactional data is recognised in the period in which the service is provided.
- Turnover from batch data arrangements which include an ongoing update service are apportioned across each delivery to the customer.
- Subscription and membership fees are recognised on a straight-line basis over the period to which they relate.
- Software licence and delivery services are primarily accounted for as a single performance obligation, with turnover recognised when the combined offering is delivered to the customer. These services are distinguished between Experian-hosted solutions, where turnover is spread over the period that the service is available to the customer, and on-premise software licence arrangements, where turnover is recognised on delivery completion.
- The delivery of support and maintenance agreements is generally considered to be a separate performance obligation and turnover is recognised on a straight-line basis over the term of the maintenance period.
- Professional services turnover which form a separate performance obligation are recognised as the services are delivered.

Accrued income

Accrued income balances, which represent the right to consideration in exchange for goods or services that we have transferred to a customer, are assessed as to whether they meet the definition of a contract asset:

- When the right to consideration is conditional on something other than the passage of time, a balance is classified as a contract asset. This arises where there are further performance obligations to be satisfied as part of the contract with the customer and typically includes balances relating to software licensing contracts;
- When the right to consideration is conditional only on the passage of time, the balance does not meet the definition of a contract asset and is classified as an unbilled debtor. This typically arises where the timing of the related billing cycle occurs in a period after the performance obligation is satisfied.

Contract costs

Certain costs incurred prior to the satisfaction or partial-satisfaction of a performance obligation are also deferred as contract costs and these are amortised on a systematic basis consistent with the pattern of transfer of the related goods or services.

- Costs to obtain a contract predominantly comprise sales commissions costs.
- Costs to fulfil a contract predominantly comprise of labour costs directly relating to the implementation services provided.

Contract liabilities

Contract liabilities arise when we have an obligation to transfer future goods or services to a customer for which we have received consideration, or the amount is due, from the customer and include both deferred income balances and specific reserves.

Tax (note 11)

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 shareholder's 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.

Experian Limited

Notes to the financial statements (continued)

for the year ended 31 March 2021

3 Summary of significant accounting policies (continued)

Share incentive plans (note 27)

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 12)

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

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 area is sufficiently objective.

Key source of estimation uncertainty – forecasts and discount rates used

The Company tests goodwill for impairment annually, or more frequently if there is an indication that it 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 13.

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

Experian Limited

Notes to the financial statements (continued)

for the year ended 31 March 2021

5 Turnover

Turnover is predominantly with UK clients and customers.

Disaggregation of revenue from contracts with customers

	2021 £m	2020 £m
Data	254	269
Decisioning	177	181
Business-to-Business	431	450
Consumer Services	120	126
	551	576

Data is predominantly transactional turnover. Decisioning is predominantly turnover from software licence and delivery services. Consumer Services is predominantly subscription and transactional turnover. The timing of revenue recognition in relation to these is discussed in note 3.

Significant changes in contract balances

Contract assets predominantly relate to software licence services, where revenue recognition for on-premise arrangements occurs as the solution is transferred to the customer, whereas the invoicing pattern is often annually over the contract period. Contract assets recognised during the year totalled £3m (2020: £6m). The contract asset balance for work completed but not invoiced on satisfaction of a performance obligation, unwinds over the contract term. Contract assets are transferred to debtors when the right to consideration becomes unconditional, or conditional only on the passage of time. Contract assets reclassified to debtors during the year totalled £4m (2020: £4m).

The majority of software licences are invoiced annually in advance. Where these licences relate to Experian-hosted solutions, revenue is recognised over the period that the service is available to the customer, creating a contract liability. Delivery services are generally invoiced during the delivery period, creating a contract liability for the advanced consideration until the delivery is complete.

Where the delivery relates to Experian-hosted solutions, revenue is recognised over the period that the service is available to the customer, reducing the contract liability over time. Where the delivery relates to an on-premise solution, the contract liability is released on delivery completion. Support and maintenance agreements are often invoiced annually in advance, creating a contract liability, which is released over the term of the maintenance period as revenue is recognised. Revenue recognised in the year of £94m (2020: £104m) was included in the opening contract liability. Cash received in advance not recognised as revenue in the year was £84m (2020: £96m).

Contract costs

The carrying amount of assets recognised from costs to obtain and costs to fulfil contracts with customers at 31 March 2021 is £3m and £24m respectively (2020: £4m and £27m).

Amortisation of contract costs in the year is £16m (2020: £16m) and recognised impairment losses totalled £2m (2020: £4m). Contract costs are amortised on a systematic basis consistent with the pattern of transfer of the related goods or services. A portfolio approach has been applied to calculate contract costs for contracts with similar characteristics, where the Company reasonably expects that the effects of applying a portfolio approach does not differ materially from calculating the amounts at an individual contract level.

Experian Limited
Notes to the financial statements (continued)

for the year ended 31 March 2021

6 Staff costs and numbers

Staff costs

	2021 £m	2020 £m
Wages and salaries	204	184
Social security costs	23	23
Share incentive plans, including related social security costs (note 27)	17	12
Pension costs – defined benefit plans (note 26)	2	4
Pension costs – defined contribution plans	16	14
Total pension costs	18	18
	262	237

Wages and salaries include £7m (2020: £4m) of severance costs.

Staff numbers - monthly averages

	2021 Number	2020 Number
Development and delivery	1,394	1,505
Administrative and other	950	963
Sales and marketing	579	613
	2,923	3,081

7 Directors' remuneration

	2021 £m	2020 £m
Aggregate emoluments (excluding employer's pension contributions)	1	2

Retirement benefits are accruing to one director (2020: three) under a defined contribution pension plan.

Awards of Experian plc ordinary shares were released to three directors (2020: four), under long-term incentive plans and the estimated value is £1,952,000 (2020: £2,879,000). Two directors realised a total gain of £270,000 on exercise of options (2020: three directors realised a total gain of £2,416,000 on exercise of options).

Highest paid director	2021 £'000	2020 £'000
Emoluments (excluding employer's pension contributions)	497	1,006

8 Other interest receivable

	2021 £m	2020 £m
Interest receivable from group undertakings	-	1
Foreign exchange gains on intra-group financing	1	1
	1	2

Experian Limited
Notes to the financial statements (continued)

for the year ended 31 March 2021

9 Interest payable and similar charges

	2021 £m	2020 £m
Committed facility fee	1	1
Interest payable to other group undertakings	8	11
Interest on lease liabilities	1	2
	10	14

10 Profit before tax

Profit before tax is stated after charging:

	2021 £m	2020 £m
Depreciation of tangible fixed assets (note 14)	25	23
Amortisation of intangible fixed assets (note 13)	34	31
Impairment of tangible fixed assets (note 14)	3	-
Impairment of intangible fixed assets (note 13)	21	-
Total depreciation and other amounts written off tangible and intangible fixed assets	83	54
Operating lease rentals	4	3

Other operating charges include fees payable to the auditor for the audit of the Company's financial statements of £279,000 (2020: £252,000).

Operating leases relate to payments in respect of low value assets which continue to be recognised as an expense, on a straight line basis, in the income statement. This treatment utilises the exemption available in IFRS 16 for such assets.

11 Tax on profit

Analysis of charge for the year

Tax expense included in the profit and loss account

	2021 £m	2020 £m
Current tax:		
UK corporation tax on the profit for the year	5	7
Adjustments in respect of prior years	1	4
Overseas tax	1	1
Total current tax	7	12
Deferred tax:		
Origination and reversal of timing differences	(1)	2
Adjustments in respect of prior periods	(2)	-
Total deferred tax	(3)	2
Tax on profit	4	14

Experian Limited

Notes to the financial statements (continued)

for the year ended 31 March 2021

11 Tax on profit (continued)

Factors affecting the total tax charge for the year

The tax charge for the year is at a rate higher (2020: higher) than the main rate of UK corporation tax of 19% (2020: 19%). The differences are explained below.

Reconciliation of tax charge

	2021 £m	2020 £m
Profit before tax	11	46
Profit multiplied by the main rate of UK corporation tax	2	9
Effects of:		
Adjustment in respect of prior years	(1)	4
Expenses not deductible for tax purposes	2	1
Overseas tax borne	1	1
Relief for overseas tax borne	(1)	(1)
Other timing differences	1	-
Tax charge for the year	4	14

Factors affecting future tax liabilities

In the 3 March 2021 Budget it was announced that the UK tax rate will increase to 25% from 1 April 2023 and this was substantially enacted on 24 May 2021. This will have a consequential effect on the company's future tax charge. If this rate change had been substantively enacted at the current balance sheet date the deferred tax asset would have increased by £3m.

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.

12 Dividends

Interim dividends paid in the year

	2021 £m	2020 £m
Interim dividend of £204.10 per share paid on 25 September 2019	-	100
	-	100

Experian Limited
Notes to the financial statements (continued)

for the year ended 31 March 2021

13 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 2020	250	7	7	106	21	234	625
Transfer from investments	20	-	-	-	-	-	20
Disposals	-	-	-	-	(3)	-	(3)
Other disposals	-	-	-	-	-	(24)	(24)
Additions	-	-	-	5	-	16	21
At 31 March 2021	270	7	7	111	18	226	639
Amortisation							
At 1 April 2020	109	7	7	93	16	136	368
Amortisation charge for the year	-	-	-	5	1	28	34
Impairment charge for the year	-	-	-	-	-	21	21
Other disposals	-	-	-	-	-	(24)	(24)
Disposals	-	-	-	-	(3)	(1)	(4)
At 31 March 2021	109	7	7	98	14	160	395
Net book amount							
At 31 March 2021	161	-	-	13	4	66	244
At 31 March 2020	141	-	-	13	5	98	257

Within the year the net assets of Castlight Limited, a subsidiary, were acquired by The Company. The investment in subsidiary balance (£20m) that had arisen upon the acquisition of Castlight Limited was transferred into Goodwill as part of this transaction.

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 2021 indicated that the recoverable amount exceeded its carrying value on the basis of an assumption of 8.3% for post-tax WACC and long-term growth rate of 2.3%.

Within the total intangibles balances, an asset exists in relation to the Data platform. As at 31 March 2021, the net book value of the asset is £14m (2020: £39m). During the year, this asset was identified as requiring impairment of £21m due to planned upgrade of our technology estate.

Experian Limited
Notes to the financial statements (continued)

for the year ended 31 March 2021

14 Tangible assets

	Freehold land and buildings	Plant and machinery, fixtures and fittings	Right of use land and buildings	Right of use motor vehicles	Total
	£m	£m	£m	£m	£m
Cost					
At 1 April 2020	2	139	31	3	175
Additions	-	5	12	3	20
Other disposals	-	(6)	-	-	(6)
Disposals	-	-	-	(1)	(1)
At 31 March 2021	2	138	43	5	188
Depreciation					
At 1 April 2020	1	106	9	2	118
Charge for the year	-	13	10	2	25
Impairment charge	-	3	-	-	3
Other disposal	-	(6)	-	-	(6)
Disposals	-	-	-	(1)	(1)
At 31 March 2021	1	116	19	3	139
Net book amount					
At 31 March 2021	1	22	24	2	49
At 31 March 2020	1	33	22	1	57

Experian Limited
Notes to the financial statements (continued)

for the year ended 31 March 2021

15 Investments in group undertakings

	2021 £m	2020 £m
Cost		
At 1 April	780	760
Additions	-	20
Transfer to Goodwill	(20)	-
At 31 March	760	780
Provisions for impairment		
At 1 April and 31 March	482	482
Net book amount		
At 31 March	278	298
At 1 April	298	278

The principal subsidiary undertakings as at 31 March 2021 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
Castlight Limited	Providers of open banking technology

Other subsidiary undertakings are listed in note 29.

Following the sale of net assets to Experian Limited, going forwards Castlight Limited will be a dormant company.

16 Investment in associate

	2021 £m	2020 £m
Cost		
At 1 April	47	45
Share of (loss)/profit after tax	(3)	3
Dividends received	-	(1)
At 31 March	44	47
Provisions for impairment		
At 1 April and 31 March	-	-
Net book amount		
At 31 March	44	47
At 1 April	47	45

Experian Limited

Notes to the financial statements (continued)

for the year ended 31 March 2021

16 Investment in associate (continued)

As at 31 March 2021, the Company owns 25% of the issued ordinary shares of London & Country Mortgages Limited, a leading UK mortgage broker specialising in fee-free mortgage advice.

17 Debtors

	2021 £m	2020 £m
Trade debtors	89	98
Amounts owed by group undertakings	280	175
Prepayments	22	21
Unbilled debtors	25	19
Contract assets	8	9
Contract costs	26	31
Taxation	5	7
	455	360
Current debtors	438	338
Non-current debtors	17	22
	455	360

There is no material difference between the fair value and the book value stated above. The only impaired assets are within trade debtors. Non-current debtors comprise contract assets, unbilled debtors and contract costs.

Amounts owed by group undertakings are unsecured and repayable on demand and include £233m (2020: £130m) which earns interest at a deposit rate or equivalent (interbank bid rate – LIBID). The remaining amounts are interest free. The increase primarily related to the £80m ordinary shares issued by Experian Ltd during the year. The payment for these shares was settled through the intra-group financing facility.

Trade debtors are stated after provisions for impairment of £7m (2020: £5m).

Experian Limited
Notes to the financial statements (continued)

for the year ended 31 March 2021

18 Creditors: amounts falling due within one year

	2021 £m	2020 £m
Trade creditors	19	37
Amounts owed to group undertakings	53	94
Other creditors including tax and social security:		
Other creditors	5	7
Tax and social security	21	21
	26	28
Accruals	66	43
Contract liabilities	83	96
	247	298

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

Accruals includes £nil (2020: £4m) of consideration payable in respect of past acquisitions, which is payable within one year.

19 Creditors: amounts falling due after more than one year

	2021 £m	2020 £m
Amounts owed to group undertakings	500	500
Accruals	5	5
Contract liabilities	17	14
	522	519

Amounts owed to group undertakings comprises an unsecured loan note, repayable on 2 September 2024, which bears interest at six-month sterling LIBOR plus 1.3%.

Accruals includes £4m (2020: £4m) of consideration payable in respect of a past acquisition, which is expected to be payable 2 years from the balance sheet dates.

Experian Limited

Notes to the financial statements (continued)

for the year ended 31 March 2021

20 Deferred tax assets and liabilities

There is no deferred tax unprovided at 31 March 2021 or 2020. 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 2019	(5)	2	(3)	16	13
(Charged)/credited to the profit and loss account	(2)	2	-	(1)	(1)
(Charged)/credited to other comprehensive income	-	(2)	(2)	(1)	(3)
At 31 March 2020	(7)	2	(5)	14	9
(Charged)/credited to the profit and loss account	(1)	1	-	3	3
(Charged)/credited to other comprehensive income	-	(1)	(1)	(1)	(2)
At 31 March 2021	(8)	2	(6)	16	10

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.

21 Called up share capital

Allotted and fully paid

	Number of shares allotted	2021 £m	2020 £m
Ordinary shares of £1 each	80,489,950	80	-

On 3 September 2020, Experian Limited issued 80,000,000 shares with a nominal value of £1 each. There were no transactions affecting share capital in the year ended 31 March 2020.

22 Share premium account

The difference between the consideration and the par value of the shares issued is recorded in the share premium account and is not available for distribution.

23 Profit and loss account

The balance on the profit and loss account comprises net profits retained in the Company, after the payment of equity dividends.

Experian Limited
Notes to the financial statements (continued)

for the year ended 31 March 2021

24 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:

	2021 Plant and Machinery £m	2020 Plant and Machinery £m
Within one year	2	3
In between one and five years	2	4
In more than five years	-	-
	4	7

Non-cancellable operating leases relate low value assets which continue to be recognised as an expense, on a straight line basis, in the income statement. This treatment utilises the exemption available in IFRS 16 for such assets.

25 Leases

The Company's lease portfolio consists of 10 property leases across the UK in which we operate. In addition, we lease approximately 250 motor vehicles and 5 hardware related leases. The average remaining lease term is 1.5 years for property leases, 3.2 years for hardware and leases and 1.5 years for motor vehicles. Extension and termination options are included within a number of property and equipment leases across the Company. These are used to maximise operational flexibility in terms of managing assets and lease exposures. The majority of extension and termination options are exercisable only by the Company and not by the respective lessor.

As at 31 March 2021 £4m (2020: £4m) of the lease liability is owed to related party, Chatsworth Investments Limited based on lease agreements in place.

Amounts recognised in the Company's Balance Sheet

	2021 £m	2020 £m
Right of use assets (Note 14)		
Freehold land and buildings	24	21
Motor vehicles	2	2
At 31 March	26	23
Lease obligations		
Current	12	9
Non-Current	16	16
At 31 March	28	25

Experian Limited

Notes to the financial statements (continued)

for the year ended 31 March 2021

25 Leases (continued)

Lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Company, the incremental borrowing rate is used. The incremental borrowing rate is unique to the country and class of assets therein and is based on the Company's cost of debt, adjusted for factors specific to individual lessees and their borrowing capacity.

The Company is exposed to potential future increases in variable lease payments based on periodic market based reviews, which are not included in the lease obligation until they take effect.

Maturity of lease liabilities - contractual undiscounted cash flows

	2021 £m	2020 £m
Less than 1 year	12	10
One to two years	9	7
Two to three years	6	7
Three to four years	2	3
Total undiscounted lease liabilities at 31 March	29	27

26 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 and will be closed to the accrual of new benefits from 1 April 2022, at which point all employees will be offered membership of the Company's defined contribution plan. 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 valuation was carried out as at 31 March 2019 by independent qualified actuaries Mercer Limited, using the projected unit credit method. The 2019 actuarial valuation has been agreed and there was a small funding surplus. The next full valuation will be carried out as at 31 March 2022.

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 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.

Experian Limited

Notes to the financial statements (continued)

for the year ended 31 March 2021

26 Post-employment benefit assets and obligations (continued)

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 2021 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 2021 to changes in the real discount rate, life expectancy and medical costs are included below.

While the methodology used to determine the discount rate is unchanged from that used at 31 March 2020, the data source used by our external actuary to construct the corporate bond yield curve has been updated due to changes in the classifications of relevant high-quality corporate bonds. In constructing the yield curve, judgment is required on the selection of appropriate bonds to be included and the approach then used to derive the yield curve. The change to the bond universe has reduced retirement benefit obligations at 31 March 2021 by approximately £11m or 2.3%.

In the year ended 31 March 2020 the CPI assumption was derived by assuming a margin of 80 basis points below RPI. Following the announcement by the UK Chancellor of the Exchequer on 25 November 2020, of the outcome of a consultation on the reform to RPI methodology, it is now expected that from 2030 RPI will be aligned with CPIH (the Consumer Price Index including owner occupiers' housing costs).

For the year ended 31 March 2021 a 100 basis point margin between RPI and CPI has been assumed to 2030, with a ten basis point margin assumed thereafter. This results in a single equivalent differential of 50 basis points and an increase in retirement benefit obligations at 31 March 2021 of approximately £6m or 1.1%.

The other 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 2021. The methodology evaluates the effect of a change in each assumption on the relevant obligations, while holding all other assumptions constant.

Principal financial actuarial assumptions

	2021 %	2020 %
Discount rate	2.0	2.2
Rate of inflation based on RPI	3.3	2.6
Rate of inflation based on CPI	2.8	1.8
Rate of increase for salaries	2.8	2.1
Rate of increase for pensions in payment – element based on RPI (where cap is 5%)	3.0	2.5
Rate of increase for pensions in payment – element based on CPI (where cap is 2.5%)	1.9	1.5
Rate of increase for pensions in payment – element based on CPI (where cap is 3%)	2.2	1.7
Rate of increase for pensions in deferment	2.8	1.8
Rate of increase for medical costs	6.3	5.6

Experian Limited

Notes to the financial statements (continued)

for the year ended 31 March 2021

26 Post-employment benefit assets and obligations (continued)

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 pounds sterling and have a maturity on average of 17 years. If the real discount rate increased/decreased by 0.1%, the defined benefit obligations at 31 March 2021 would decrease/increase by approximately £8m, and the fair value of plan assets would decrease/increase by approximately £8m. The annual current service cost would be broadly unchanged.

The rates of increase for pensions in payment reflect the separate arrangements applying to different groups of Experian's pensioners. If the inflation rate underlying the pension increases (both in payment and in deferment) increased/decreased by 0.1%, the defined benefit obligations at 31 March 2021 would increase/decrease by approximately £5m and the annual current service cost would be broadly unchanged.

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

	2021 Years	2020 Years
For a male currently aged 65	22.6	22.5
For a female currently aged 65	24.5	24.3
For a male currently aged 50	23.5	23.3
For a female currently aged 50	25.6	25.4

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 2019 actuarial valuation. A specific allowance for anticipated future improvements in life expectancy is also incorporated. While

COVID-19 has had an impact on mortality in FY21, the impact on future mortality trends are currently unknown and consequently no adjustment has been made to mortality assumptions in this regard.

An increase in assumed life expectancy of 0.1 years would increase the defined benefit obligations at 31 March 2021 by approximately £2m and the annual current service cost would remain unchanged.

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/decreased by 1.0% per annum, the obligations at 31 March 2021 and the finance expense would remain unchanged.

Increase in salaries

An increase of 0.1% to the salary increase rate would have no material impact on obligations at 31 March 2021, and the annual current service cost would be broadly unchanged.

Experian Limited
Notes to the financial statements (continued)

for the year ended 31 March 2021

26 Post-employment benefit assets and obligations (continued)

Post-employment benefit amounts recognised in the financial statements

Balance sheet assets/(obligations)

	2021 £m	2020 £m
Retirement benefit assets/(obligations) – funded plan:		
Fair value of funded plan assets	518	448
Present value of funded plan obligations	(474)	(410)
Assets in the balance sheet for funded defined pension benefits	44	38
Obligations for unfunded post-employment benefits:		
Present value of defined benefit benefits – unfunded plans	(11)	(11)
Present value of post-employment medical benefits	(1)	-
Liabilities in the balance sheet	(12)	(11)
Net post-employment benefit assets	32	27

Profit and loss account charge by nature of expense

	2021 £m	2020 £m
Current service cost	2	4
Past service cost	-	-
Charge within staff costs and operating profit	2	4
Expected return on assets	-	-
Interest income	-	-
Total charge to profit and loss account	2	4

In the year ended 31 March 2019 the Company recognised a past service cost in respect of Guaranteed Minimum Pension equalisation of £1m. The amount of any additional liability resulting from the UK High Court ruling on 20 November 2020 on historic transfers, is not anticipated to be material to the Company.

Experian Limited
Notes to the financial statements (continued)

for the year ended 31 March 2021

26 Post-employment benefit assets and obligations (continued)

Remeasurement recognised in other comprehensive income

	2021 £m	2020 £m
Defined pension benefits	3	10
Post-employment medical benefits	-	-
Total remeasurement recognised in other comprehensive income	3	10

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

	Assets £m	Liabilities £m	Total £m
At 1 April 2020	448	(421)	27
Benefits paid	(12)	12	-
Contributions paid by the Company	3	-	3
Current service cost	-	(2)	(2)
Interest income/(expense)	10	(9)	1
Remeasurement gains/(losses)	69	(66)	3
At 31 March 2021	518	(486)	32

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

	2021 £m	2020 £m
UK equities	3	2
Overseas equities	84	77
Index-linked gilts	183	160
Global corporate bonds	165	140
Secured credit	53	46
Other	30	23
	518	448

The Experian Pension Scheme investment strategy aims to reduce investment risk and funding volatility. With the exception of a target 5% allocation to senior private debt, all other assets are regarded as being readily marketable and regularly traded.

The Trustee has adopted funding-based triggers to implement further de-risking of the investment strategy as conditions allow. As a result, during the year the target allocation to equities was reduced from 20% to 15%. These triggers will be kept under review. Over time, the Scheme is expected to increase its allocation to liability matching assets, to provide cash flows to match expected benefit payments.

Experian Limited

Notes to the financial statements (continued)

for the year ended 31 March 2021

26 Post-employment benefit assets and obligations (continued)

The Trustee believes that environmental, social and governance (ESG) factors may have a material impact on investment risk and return outcomes. ESG factors, including climate change and stewardship, are increasingly integrated within investment processes both in appointing new investment managers and in monitoring existing investment managers. Monitoring is undertaken and documented on a regular basis, making use of the investment consultant's ESG rating framework.

The Company's defined benefit plan have no holdings of ordinary shares or borrowings of the Company or of Experian plc the Company's ultimate parent undertaking.

Future contributions

There was a small funding deficit at the date of the 2016 full actuarial valuation of the Experian Pension Scheme. To correct the shortfall the employer agreed to pay additional contributions of £1m per annum over five years from 1 April 2017. The employer has agreed to continue to pay these contributions in FY21 and FY22 notwithstanding the small surplus recognised following the 2019 full actuarial valuation. Contributions, including additional contributions, currently expected to be paid to this plan during the year ending 31 March 2021 are £3m by the Company and £1m by employees.

27 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

	2021 £m	2020 £m
Share options	1	1
Share awards	13	9
Expense recognised (all equity-settled)	14	10
Related social security costs	3	2
Total expense recognised (all equity-settled)	17	12

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 profit and loss account 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 CIP) and the Experian Performance Share Plan (the PSP). Awards typically 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.

Experian Limited

Notes to the financial statements (continued)

for the year ended 31 March 2021

27 Share incentive plans (continued)

	Performance conditions for vesting	Assumed outcome at grant date
CIPs	50% - Adjusted benchmark earnings per share	77.8%
	50% - Cumulative Benchmark operating cash flow	77.2%
PSP	50% - Adjusted benchmark earnings per share	77.8%
	25% - Return on capital employed	83%
	25% - Total shareholder return (TRS)	61.8%

During the year ended 31 March 2021, a one-off award was made under the PSP to employees who are not eligible to participate in existing share award schemes. These awards had no service or performance conditions attached and vested immediately. Participants who hold the shares received for three years will be entitled to receive two matching shares for each share they originally received. The grant date assumption is that 30% of these matching awards will not vest.

CIPs

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

The range of performance conditions for awards under these plans is set out below. The Profit performance condition requires Benchmark PBT per share growth at the stated percentages over a three-year period for the awards made in year ended 31 March 2019. The profit condition for awards made in the years ended 31 March 2021 and 31 March 2020 require adjusted Benchmark EPS 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.

PSP

The range of Profit performance conditions for conditional awards under this plan is the same as those for the CIP described above. For the years ended 31 March 2021 and 31 March 2020 there is an additional Return on Capital Employed condition ('ROCE condition'). This condition requires average ROCE over the period at the percentages stated below. Both these conditions are not market-based performance conditions as defined by IFRS 2 and are also measured over a three-year period commencing at the beginning of the financial year of grant.

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.

Experian Limited
Notes to the financial statements (continued)

for the year ended 31 March 2021

27 Share incentive plans (continued)

	Year of award		
	Year ended 31 March 2021	Year ended 31 March 2020	Year ended 31 March 2019
Profit performance condition			
Minimum	3% per annum	5% per annum	5% per annum
Target	4% per annum	6% per annum	6% per annum
Maximum	7% per annum	9% per annum	9% per annum
Cashflow condition			
Minimum	US\$3.7bn	US\$3.7bn	N/A
Target	US\$3.8bn	US\$3.8bn	US\$3.7bn
Maximum	US\$4.1bn	US\$4.1bn	US\$4.1bn
ROCE condition			
Minimum	14.5% per annum	14.5% per annum	-
Target	15.4% per annum	15.4% per annum	-
Maximum	16.0% per annum	16.0% per annum	-
Movement in number of share awards outstanding - Number of awards			
	2021 '000	2020 '000	
At 1 April	1,977	2,208	
New grants	582	736	
Forfeitures	(199)	(148)	
Vesting	(658)	(779)	
Cancellations – performance conditions not met	(25)	(37)	
Transfers	45	(3)	
At 31 March	1,722	1,977	

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 2021 had a weighted average fair value per share of £26.84 (2020: £23.45).

Experian Limited

Notes to the financial statements (continued)

for the year ended 31 March 2021

28 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.

	2021 £m	2020 £m
Experian Credit Information Company of India Private Limited	2	2
Experian Colombia S.A.	1	1
Experian Italia S.p.A.	-	1
Experian South Africa (Pty) Limited	1	9

During the year ended 31 March 2021, the Company processed transactions on behalf of Vector CM Holdings (Cayman), L.P. ('Vector'), an associate of the Group, and its subsidiaries. The Company does not receive any margin on these transactions. At 31 March 2021, the Company owed Vector and its subsidiaries £Nil (2020: £0.5m). Further detail on this arrangement can be found on page 204 of the Experian Annual Report.

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

	2021 £m	2020 £m
Experian Italia S.p.A. – management fee and recharges of shared costs	6	5
Experian Bureau de Credito SA – management fee and recharges of shared costs	2	2
Experian South Africa (Pty) Limited – management fee and recharges of shared cost	6	3
London & Country Mortgages Limited – digital media development services	1	1

29 Other subsidiary undertakings

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

Name of company	Country of incorporation
ClarityBlue, Inc.	USA
Experian Holdings EURL	France
International Communication & Data Limited	England & Wales
QAS Limited (in voluntary liquidation)	England & Wales
Tallyman Australia Pty Limited (indirectly held)	Australia
Tallyman Limited	England & Wales
Techlightenment Ltd (in voluntary liquidation)	England & Wales

Techlightenment Ltd was placed in liquidation on 22 February 2021.

Experian Limited

Notes to the financial statements (continued)

for the year ended 31 March 2021

30 Contingencies

We have received a final enforcement notice from the UK Information Commissioner's Office (ICO) with respect to a 2018 audit of several companies on the use of data for marketing purposes under the EU General Data Protection Regulation (GDPR), which relates to our marketing services activities in the UK. We disagree with the ICO's decision and have appealed, during which time all requirements will be stayed. The appeal is scheduled to be heard in late 2021 and, at this stage we do not know what the final outcome will be, but it may require significant changes to business processes in our UK marketing services business if the enforcement notice is upheld in its current terms.

31 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 parent company of the only group in which the results of the Company for the year were consolidated and copies of its group financial statements may be obtained from the Company Secretary, Experian plc, Newenham House, Northern Cross, Malahide Road, Dublin 17, D17 AY61, Ireland.