

Experian CIS Limited

Annual report and financial statements
for the year ended 31 March 2015

Company registered number 02359431

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Experian CIS Limited
Annual report and financial statements
for the year ended 31 March 2015

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Experian CIS Limited

Directors and other information

Directors

W J S Floyd
R C Gallagher
M E Pepper
A H Robinson
C J Rutter

Company secretary

R P Hanna

Registered office

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

Independent auditor

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

Experian CIS Limited

Strategic report

for the year ended 31 March 2015

Activities and business model

The Company is a member of the Experian plc Group ('the Group') and provides credit and marketing solutions that enrich customer data. This is principally through the provision and support of decision analytics software to corporate clients in Russia and neighbouring states.

Review of the business

2015 turnover declined 20% below the level achieved in the prior year as demand remained depressed in the Company's main trading territory.

The Company's sales contracts are predominantly priced in euros, which is the Company's local currency and also the reporting currency adopted in these financial statements. However, most local costs of operating through a branch in Russia are denominated in roubles. The average exchange rate for the rouble against the euro for the year ended 31 March 2015 was nearly 30% lower than the average rate for the year ended 31 March 2014, which has benefited the Company's reported costs, including its staff costs.

The Company recorded an operating profit of €2,430,000, compared with €2,779,000 for the prior year. This was stated after management fees, and recharges for use of intellectual property, from fellow Group companies of €2,769,000 (2014: €2,704,000).

The results for the year and the financial position at the year-end were in line with the directors' expectations, given the tough trading conditions continuing to be encountered.

Principal risks and uncertainties

The management of the business and the execution of the Company's strategy are subject to a number of risks. The key business risks and uncertainties affecting the Company are considered to relate to data security, information systems and government regulation. The principal risks and uncertainties facing the Company, together with the main means by which they are managed or mitigated, are set out on pages 16 to 21 of the Experian plc 2015 annual report, which does not form part of this report.

Key performance indicators

As the Company's relevant risks are managed on a group or divisional basis, the directors believe that analysis using key performance indicators for the Company is not necessary or appropriate for an understanding of its development, performance or position.

By order of the board



M E Pepper

Director

29 June 2015

Experian CIS Limited

Directors' report

for the year ended 31 March 2015

Results

The result for the financial year was a profit of €307,000 (2014: €388,000).

The Company operates through a branch in Moscow.

Likely future developments

The external local commercial environment is expected to remain competitive for the remainder of 2015 and for 2016. The directors do not expect the Company's Russian business to grow in the next financial year. They expect to gain market share by trying to enter new vertical markets such as telecommunications and insurance companies, and debt collection agencies, by expanding in Kazakhstan, and by widening the Company's relationship with United Credit Bureau, in which the Group has a minority stake.

Going concern

The financial statements have been prepared on a going concern basis, notwithstanding the net liabilities of €3,708,000 at 31 March 2015 (2014: €4,015,000). Experian plc has given an undertaking to support the Company for at least twelve months from the date of signing the financial statements.

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 risks. They are confident that there are suitable policies in place and there are no material risks and uncertainties which have not been considered. The most significant of these risks is credit risk.

The Company has implemented credit risk management policies that require appropriate credit checks on potential customers before sales are made. The amount of exposure to any single counterparty is subject to a limit, which is reassessed periodically.

Most aspects of exposures to foreign exchange, interest rate, price, and liquidity risk are managed on a group basis and are discussed in note 7 to the Experian plc 2015 Group financial statements, which does not form part of this report.

Directors

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

W J S Floyd
R C Gallagher
M E Pepper
A H Robinson
C J Rutter

Insurance and third party indemnification

During the year and up to the date of signing of this report the Company, through its parent group, maintained liability insurance and third party indemnification provisions (which are a qualifying third party indemnity provision for the purposes of the Companies Act 2006) for its directors and the company secretary.

Statement of directors' responsibilities

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with UK Generally Accepted Accounting Practice (UK Accounting Standards and applicable law). Under company law, the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of its profit or loss for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

Experian CIS Limited

Directors' report (continued)

Statement of directors' responsibilities (continued)

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

Statement of disclosure of information to 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 he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the auditor is aware of that information.

By order of the board



M E Pepper
Director

29 June 2015

Independent auditor's report

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

Report on the financial statements

Our opinion

In our opinion Experian CIS Limited's financial statements (the 'financial statements'):

- give a true and fair view of the state of the company's affairs as at 31 March 2015 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

What we have audited

Experian CIS Limited's financial statements comprise:

- the balance sheet as at 31 March 2015;
- the profit and loss account for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the directors have made a number of subjective judgments, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

Opinion on other matter prescribed by the Companies Act 2006

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

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- 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.

We have no exceptions to report arising from this responsibility.

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the statement of directors' responsibilities set out on pages 3 and 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) ('ISAs (UK & Ireland)'). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

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

What an audit of financial statements involves

We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the directors; and
- the overall presentation of the financial statements.

We primarily focus our work in these areas by assessing the directors' judgments against available evidence, forming our own judgments, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the annual report and financial statements to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.



David Teager (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
East Midlands
29 June 2015

Experian CIS Limited
Profit and loss account
for the year ended 31 March 2015

	Notes	2015 €'000	2014 €'000
Turnover	2	9,799	12,266
Staff costs	3	(2,886)	(3,897)
Depreciation and other amounts written off tangible and intangible fixed assets		(110)	(133)
Other operating charges		(4,373)	(5,457)
Operating profit		2,430	2,779
Other interest receivable and similar income – bank interest		17	-
Interest payable and similar charges	5	(713)	(947)
Profit on ordinary activities before tax	6	1,734	1,832
Tax on profit on ordinary activities	7	(1,427)	(1,444)
Profit on ordinary activities after tax and for the financial year	14	307	388

All amounts relate to continuing operations.

There are no recognised gains and losses other than the profits for the financial years stated above and therefore no separate statement of total recognised gains and losses has been presented.

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

Experian CIS Limited

Balance sheet

at 31 March 2015

	Notes	2015 €'000	2014 €'000
Fixed assets			
Intangible assets	8	3	-
Tangible assets	9	138	212
		141	212
Current assets			
Debtors	10	3,757	9,167
Cash at bank and in hand		4,383	434
		8,140	9,601
Current liabilities			
Creditors – amounts falling due within one year	11	(11,989)	(13,828)
Net current liabilities		(3,849)	(4,227)
Total assets less current liabilities		(3,708)	(4,015)
Net liabilities		(3,708)	(4,015)
Capital and reserves			
Called up share capital	13	-	-
Other reserves	14	71	71
Profit and loss account	14	(3,779)	(4,086)
Total shareholders' deficit	15	(3,708)	(4,015)

The financial statements on pages 7 to 15 were approved by the board of directors on 29 June 2015 and signed on its behalf by:



M E Pepper
Director

The Company's registered number is 02359431.

Experian CIS Limited

Notes to the financial statements

for the year ended 31 March 2015

1 Accounting policies

Basis of accounting

These financial statements have been prepared under the historical cost convention, and in accordance with the Companies Act 2006 and applicable UK accounting standards. The material accounting policies relevant to these financial statements are set out below.

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

Going concern

The financial statements have been prepared on a going concern basis, notwithstanding the net liabilities of €3,708,000 at 31 March 2015 (2014: €4,015,000). Experian plc has given an undertaking to support the Company for at least twelve months from the date of signing the financial statements.

Reporting and functional currency

These financial statements are presented in euros, the Company's functional currency, and have been rounded to the nearest thousand euros, except where specifically noted otherwise.

Cash flow statement and related party disclosures

The Company is a wholly-owned subsidiary of Experian plc and is included in its consolidated financial statements, which are publicly available. Under FRS 1, these financial statements do not require inclusion of a cash flow statement. Under FRS 8 the Company is exempt from disclosing transactions with entities that are wholly owned by Experian plc. Details of other related party transactions are given in note 17.

Turnover - revenue recognition

Turnover represents the fair value of the sale of services to customers, net of value added tax and other sales taxes, rebates and discounts, including sales of software licences, support, maintenance and training services, consulting contracts and hardware.

Revenues are recognised on the basis of the performance of contractual obligations and to the extent that the right to consideration has been earned. In cases where a single contractual arrangement involves the sale of licences, support and maintenance services, the amount of consideration is derived from an assessment of the fair value of the goods or services provided.

Licence fees are recognised upon the provision of software to the customer, providing that the payment terms are unconditional, full payment is contractually binding, collection is reasonably certain and there are no material contract conditions or warranties. Revenue from the provision of professional services including support, maintenance, training and consultancy services is recognised when the services have been performed. Hardware sales are recognised on delivery. Support and maintenance revenues are recognised evenly over the period to which they relate.

Interest

Interest receivable and payable is recognised on an accruals basis.

Leased assets – operating leases

Rentals payable under operating leases are charged to the profit and loss account on a straight line basis over the lease term.

Tangible fixed assets

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

Fixtures and fittings, tools and equipment	-	3 to 5 years
Internal use software	-	4 years

Experian CIS Limited

Notes to the financial statements (continued)

for the year ended 31 March 2015

1 Accounting policies (continued)

Deferred tax

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

Foreign currency translation

Transactions in foreign currencies are recorded at the exchange rates in effect at the transaction date. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rates ruling at the balance sheet date. All differences are taken to the profit and loss account in the year in which they arise. Non-monetary assets and liabilities are translated using the exchange rate at the date of the transaction. The principal exchange rates used in these financial statements are given below.

	Average		Closing		
	2015	2014	2015	2014	2013
Euro : Russian rouble	57.30	44.27	62.43	48.61	39.92
Euro : Sterling	1.28	1.20	1.37	1.21	1.16

2 Turnover

Turnover and profit before tax are derived solely from the Company's principal activity, undertaken wholly within Russia with clients in Russia or its neighbouring countries.

3 Staff costs and numbers

Staff costs

	2015 €'000	2014 €'000
Wages and salaries	2,602	3,370
Social security costs	284	527
	2,886	3,897

Monthly average staff numbers (including directors)

	2015 Number	2014 Number
Production	30	35
Distribution and sales	11	8
Administrative	6	9
	47	52

Experian CIS Limited

Notes to the financial statements (continued)

for the year ended 31 March 2015

4 Directors' remuneration

The directors were remunerated by fellow subsidiary undertakings of Experian plc in respect of their services to the Experian plc Group as a whole and received no remuneration from any company specifically in respect of their directorships of the Company in 2015 or 2014.

5 Interest payable and similar charges

Interest payable and similar charges comprised foreign exchange losses on intra-group financing.

6 Profit on ordinary activities before tax

The profit on ordinary activities before tax is stated after charging:

	2015 €'000	2014 €'000
Provision against doubtful debts	80	65
Fees payable to the auditor for audit services	23	30
Operating lease rentals – plant and machinery	-	30
Operating lease rentals – other (property)	478	420

7 Tax on profit on ordinary activities

Analysis of charge for the year

	2015 €'000	2014 €'000
Current tax:		
UK corporation tax on the profit for the year	-	-
Overseas tax	1,414	1,523
Total current tax	1,414	1,523
Deferred tax:		
Origination and reversal of timing differences	13	(44)
Prior year adjustments	-	(50)
Impact of reduction in corporation tax rate	-	15
Total deferred tax	13	(79)
Tax on profit on ordinary activities	1,427	1,444

Experian CIS Limited

Notes to the financial statements (continued)

for the year ended 31 March 2015

7 Tax on profit on ordinary activities (continued)

Factors affecting the total current tax charge for the year

The current tax charge for the year is higher (2014: higher) than the main rate of UK corporation tax of 21% (2014: 23%). The differences are explained below:

	2015 €'000	2014 €'000
Profit on ordinary activities before tax	1,734	1,832
Profit on ordinary activities multiplied by the main rate of UK corporation tax	364	421
Effects of:		
Overseas tax	1,414	1,523
Relief for overseas taxes paid	(355)	(474)
Differences between capital allowances and depreciation	1	30
Expenses not deductible for tax purposes, net of non-taxable income	5	8
Other timing differences	(15)	15
Current tax charge for the year	1,414	1,523

In the above table, comparative data for 2014 has been re-presented to more accurately better reflect the effects of differences between capital allowances and depreciation, and the effects of other timing differences.

The directors have considered the tax effect of UK to UK transfer pricing legislation on non-interest-bearing intra-group loans and are satisfied that any associated tax charge/(credit) arising will be offset by compensating adjustments from other Group companies such that no additional tax asset or liability should arise. Therefore, no entries in respect of these items have been reflected in these financial statements as the net impact on both the tax charge and net assets is €nil (2014: €nil).

Factors affecting future tax liabilities

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

The main rate of UK corporation tax was reduced to 21% from 1 April 2014, and 20% from 1 April 2015.

Experian CIS Limited

Notes to the financial statements (continued)

for the year ended 31 March 2015

8 Intangible assets

Intangible assets comprise additions in the year ended 31 March 2015 to internally produced software.

9 Tangible assets

Fixtures and fittings, tools and equipment

	€'000
Cost	
At 1 April 2014	534
Additions	36
At 31 March 2015	570
Depreciation	
At 1 April 2014	322
Charge for the year	110
At 31 March 2015	432
Net book amount	
At 31 March 2015	138
At 31 March 2014	212

10 Debtors

	2015 €'000	2014 €'000
Trade debtors	1,226	1,795
Amounts owed by group undertakings	67	4,485
Other debtors	57	8
Prepayments and accrued income	2,318	2,777
Deferred tax (note 12)	89	102
	3,757	9,167

Amounts owed by group undertakings are unsecured and repayable on demand. €nil (2014: €3,933,000) of the amounts owed earned interest at rates linked to euro one month LIBOR, and the remainder were interest free.

Experian CIS Limited

Notes to the financial statements (continued)

for the year ended 31 March 2015

11 Creditors – amounts falling due within one year

	2015 €'000	2014 €'000
Trade creditors	28	-
Amounts owed to group undertakings	9,836	12,245
Overseas corporate income tax	928	195
Other creditors including tax and social security – tax and social security	184	197
Accruals and deferred income	1,013	1,191
	11,989	13,828

€1,198,000 (2014: €nil) of the amounts owed to group undertakings bear interest at rates linked to euro one month LIBOR, and the remainder are interest free. Amounts owed to group undertakings are unsecured and repayable on demand.

12 Deferred tax

Deferred tax asset	€'000
At 1 April 2014	102
Amount debited in the profit and loss account	(13)
At 31 March 2015	89

Analysis of deferred tax balance:

	2015 €'000	2014 €'000
Depreciation in excess of capital allowances claimed	66	64
Other timing differences	23	38
	89	102

There are no unprovided deferred tax liabilities (2014: €nil).

13 Called up share capital

	2015 €	2014 €
Allotted and fully paid - 2 ordinary shares of £1 each	2	2

Experian CIS Limited

Notes to the financial statements (continued)

for the year ended 31 March 2015

14 Reserves

	Other reserves €'000	Profit and loss account €'000	Total €'000
At 1 April 2014	71	(4,086)	(4,015)
Profit for the financial year	-	307	307
At 31 March 2015	71	(3,779)	(3,708)

Other reserves are a foreign currency translation reserve, the balance on which accumulated prior to the Company adopting the euro as its functional currency.

15 Reconciliation of movements in shareholders' deficit

	2015 €'000	2014 €'000
Profit for the financial year	307	388
Opening deficit on shareholders' funds	(4,015)	(4,403)
Closing deficit on shareholders' funds	(3,708)	(4,015)

16 Financial commitments

There were no significant capital commitments contracted but not provided for (2014: none).

The Company had annual commitments of approximately €1,000 (2014: €13,000) expiring in between one and five years under non-cancellable operating leases relating to plant and machinery.

17 Related party transactions

Included in trade debtors reported in note 10 is €5,000 (2014: €85,000) owed by United Credit Bureau (a closed joint-stock Russian company), a 25% owned associated undertaking of the Experian plc Group. The Company provided some IT development and administrative support services to that company, and made charges to it of €1,386,000 (2014: €935,000) for those services.

Included in amounts owed by group undertakings reported in note 10 was €28,000 (2014: €37,000) owed by Experian South Africa (Pty) Limited, a 74.9% owned subsidiary undertaking of the Experian plc Group. The Company provided some management services to that company, and made charges to it of €28,000 (2014: €37,000) for those services.

18 Immediate and ultimate parent undertaking and controlling party

The immediate parent undertaking is GUS Treasury Services BV, incorporated in The Netherlands.

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