Experian CIS Limited

Annual report and financial statements

for the year ended 31 March 2021

Company registered number: 02359431

Experian CIS Limited

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

Contents

Experian CIS Limited

Strategic report
for the year ended 31 March 2021

Principal activity and business model

The Company is a wholly-owned subsidiary of Experian plc and its principal activity is to provide 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 countries.

Descriptions of each business line, their competitive environments and market influences, together with an overview of the Experian Group's business model, strategy and strategic objectives, can be found on pages 20 to 37 of the Experian Annual Report for the year ended 31 March 2021 (the 'Experian Annual Report 2021'), which does not form part of this report.

The Company's balance sheet on page 10 shows net liabilities of €12,253,000 (2020: €9,691,000)

Review of business and future development

Turnover decreased in the year to €8,964,000 (2020: €11,868,000).

The Company's sales contracts are predominantly priced in euros, which is the Company's functional currency and the presentation 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 2021 was 20% higher than the average rate for the year ended 31 March 2020. The Company changed its functional currency to roubles with effect from 1 April 2021.

The Company recorded a loss after tax of €2,562,000 (2020: profit of €184,000).

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

A review of the results of the Experian Group's EMEA region for the year ended 31 March 2021 and commentary on future developments is given on page 61 of the Experian Annual Report 2021.

Section 172(1) statement

Section 172 legislation, which became effective during the year ended 31 March 2020, aims to help shareholders better understand how directors have discharged their duty to promote the success of companies, while having regard to the matters set out in Section 172(1)(a) to (f) of the Companies Act 2006 (s172 matters).

Section 172 defines the duties of company directors and concerns the duty to promote the success of companies. During the year, 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 on behalf of its shareholders through the Board. The s172 matters are considered consistently across the wider Experian Group. As a subsidiary of Experian plc, the consideration of s172 matters by the Directors is outlined below with the use of cross references to the Experian Annual Report 2021.

(a) The likely consequences of any decision in the long term

The most significant business decisions the Company makes centre around its role as a credit and marketing solutions provider. The Experian Group governance framework explains how the Board of Experian plc delegates its authority to subsidiaries, as outlined on page 93 of the Experian Annual Report 2021.

(b) The interests of the company's employees

The Company has an average staff number of 27 people based in Moscow. The Company complies with the Experian Group policies in all key areas including human resources, details of which are set out on pages 17 and 24 of the Experian Annual Report 2021.

(c) The need to foster the company's business relationships with suppliers, customers and others

The Company's main customers are banks in Russia and its main suppliers are service providers in Russia. The Company's business relationships are also within the Experian group of companies and with Her Majesty's Revenue and Customs (HMRC).

Details of how the wider Experian Group fosters business relationships with suppliers, customers and others are set out on pages 25 and 51 of the Experian Annual Report 2021.

Experian CIS Limited

Strategic report
for the year ended 31 March 2021 (continued)

Section 172(1) statement (continued)

(d) The impact of the company's operations on the community and the environment

Information on the wider Experian Group's impact is provided in the 'Improving financial lives' and 'Protecting the environment' sections on pages 30 and 53 respectively of the Experian Annual Report 2021.

(e) The desirability of the company maintaining a reputation for high standards of business conduct

The ways in which ethical standards are upheld across the Experian Group are detailed on page 51 of the Experian Annual Report 2021.

(f) The need to act fairly between members of the company

The Company is a wholly-owned immediate subsidiary of GUS Treasury Services BV.

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 Companies Act 2006. All material business cases considered in the Experian Group (for example, mergers, acquisitions and major capital investments) include an analysis of stakeholder impact considerations, anticipated impact and mitigations. This process helps the Board to perform the duties outlined in section 172 of the Companies Act 2006 and provides assurance to the 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, 25 and 94 to 96 of the Experian Annual Report 2021.

Principal risks and uncertainties

The principal operational risks and uncertainties facing the wider Experian Group, together with the main means by which they are managed or mitigated, including the impacts of COVID-19, are set out on pages 72 to 80 of the Experian Annual Report 2021. Further details of the Group's response to COVID-19 are provided on pages 10 to 13 of the Experian Annual Report 2021.

As the Company is a wholly-owned subsidiary of Experian plc, its own principal risks and uncertainties are only indirectly related to such risks but are more directly related to the treasury, currency and other risks that are identified and discussed in pages 161 and 162 of that annual report. Such risks are managed on a group basis.

Key performance indicators

As the relevant risks of the Company are managed on a group or divisional basis, the directors believe that analysis using key performance indicators for the Company is not necessary or appropriate for an understanding of its development, performance or position. Information on the Experian group's key performance indicators is given on pages 16 and 17 of the Experian Annual Report 2021.

By order of the Board

D J Bates
Director
20 December 2021

Experian CIS Limited

Directors' report
for the year ended 31 March 2021

The directors present their report and the audited financial statements for the year ended 31 March 2021. The Company's registered number is 02359431. The Company has prepared a separate strategic report that contains certain information equivalent to that required in this directors' report.

Going concern

The Company's financial statements have been prepared on the going concern basis, notwithstanding its net current liabilities of €12,493,000 (2020: €10,083,000) and net liabilities of €12,253,000 (2020: €9,691,000) at 31 March 2021, which the directors believe to be appropriate. Experian plc has given an undertaking to support the Company for at least 12 months from the date of signing the financial statements.

Financial risk management

The directors monitor the risks and uncertainties facing the Company with reference to exposures to price, credit, liquidity, cash flow, interest rate and foreign exchange risks. They are confident that there are suitable policies in place and that all material risks are appropriately considered.

Directors and Company Secretary

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

D J Bates (appointed 5 June 2020)
R C Gallagher
A J Mills
M E Pepper

The company secretary at the date of this report is R P Hanna.

Insurance and third-party indemnification

During the year and up to the date of signing of this report the Company, through its parent group, maintained liability insurance and third-party indemnification provisions for its directors and the company secretary.

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

By order of the Board

D J Bates
Director

20 December 2021

Registered office:

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

Experian CIS Limited

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 also 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.

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

Opinion

We have audited the financial statements of Experian CIS Limited ("the Company") for the year ended 31 March 2021 which comprise the profit and loss account, balance sheet, statement of comprehensive income, 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 loss 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; and
- 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 judgments 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

Identifying and responding to risks of material misstatement due to fraud

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 as to the Company's high-level policies and procedures to prevent and detect fraud, as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Reading Board minutes.
- 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.

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

Fraud and breaches of laws and regulations – ability to detect (continued)

As required by auditing standards, we perform procedures to address the risk of management override of controls and the risk of fraudulent revenue recognition, in particular the risk that revenue from software licences 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.

We performed procedures including:

- Identifying journal entries and other adjustments to test based on risk criteria and comparing the identified entries to supporting documentation. These included those posted to unusual accounts.
- Selecting revenue transactions to test and assessing whether performance obligations had been met and thereby whether amounts had been recognised in the correct period.

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 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 and taxation 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 area as those most likely to have such an effect: data protection 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.

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.

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

Strategic report and directors' report (continued)

Based solely on that work:

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

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in these respects.

Directors' responsibilities

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

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

Adam Craig (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
St Nicholas House
Park Row
Nottingham
NG1 6FQ

21 December 2021

Experian CIS Limited

Profit and loss account
for the year ended 31 March 2021

	Notes	2021 €'000	2020 €'000
Revenue	5	**8,964**	11,868
Staff costs	6	**(704)**	(3,780)
Depreciation and other amounts written off tangible and intangible fixed assets	10	**(322)**	(313)
Other operating charges		**(9,176)**	(6,296)
Operating (loss)/profit		**(1,238)**	1,479
Interest payable and similar charges	16(c)	**(23)**	(26)
Foreign exchange revaluation	7	**(33)**	(142)
(Loss)/profit before tax	8	**(1,294)**	1,311
Tax charge on (loss)/profit	9	**(1,268)**	(1,127)
(Loss)/profit for the financial year		**(2,562)**	184

Statement of comprehensive income
for the year ended 31 March 2021

The Company has no recognised items of income and expenditure other than those included in the profit and loss account. Total comprehensive (expense)/income for the financial year is therefore equal to the (loss)/profit for the financial year.

Experian CIS Limited

Balance sheet
at 31 March 2021

	Note	**2021 €'000**	2020 €'000
Fixed assets			
Tangible assets	10	**989**	392
Current assets			
Debtors – amounts falling due within one year	11	**5,376**	4,681
Debtors – amounts falling due after more than one year	12	**1,533**	2,070
Cash at bank and in hand		**679**	446
Current liabilities			
Creditors – amounts falling due within one year	13	**(20,081)**	(17,280)
Net current liabilities		**(12,493)**	(10,083)
Total assets less current liabilities		**(11,504)**	(9,691)
Non-current liabilities			
Creditors – amounts falling due after more than one year	14	**(749)**	-
Net liabilities		**(12,253)**	(9,691)
Equity			
Called-up share capital	17	**-**	-
Profit and loss account	18	**(12,324)**	(9,762)
Other reserves	19	**71**	71
Total shareholders' deficit		**(12,253)**	(9,691)

The financial statements on pages 9 to 21 were approved by the Board on 20 December 2021 and signed on its behalf by:

D J Bates
Director

Company registered number: 02359431

Experian CIS Limited

Statement of changes in equity for the year ended 31 March 2021

	Called-up share capital (Note 17) €'000	Profit and loss account (Note 18) €'000	Other reserves (Note 19) €'000	**Total** **€'000**
At 1 April 2019	-	(9,946)	71	**(9,875)**
Profit and Total comprehensive income for the financial year	-	184	-	**184**
At 31 March 2020	**-**	**(9,762)**	**71**	**(9,691)**

	Called-up share capital (Note 17) €'000	Profit and loss account (Note 18) €'000	Other reserves (Note 19) €'000	**Total** **€'000**
At 1 April 2020	-	(9,762)	71	**(9,691)**
Loss and Total comprehensive expense for the financial year	-	(2,562)	-	**(2,562)**
At 31 March 2021	**-**	**(12,324)**	**71**	**(12,253)**

Notes to the financial statements for the year ended 31 March 2021

1. Corporate information

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 02359431. Its principal place of business is 5, bldg. 19, Nizhny Susalny lane, Moscow, 105064, Russia. The Company's principal activity is to provide 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 countries.

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.

The Company is a wholly-owned subsidiary of Experian plc and is included in its consolidated financial statements, which are publicly available.

Going concern

The Company has received a letter of support from Experian plc, which confirms the intention to provide financial support for at least 12 months from the date of signing the financial statements. Although there can be no certainty that this support will continue, at the date of approval of these financial statements, the directors have no reason to believe that it will not do so. As a result of this continued financial support, the directors of the Company have a reasonable expectation that the Company will have adequate resources to continue in operational existence for at least 12 months from the date of signing these financial statements. The directors therefore consider it appropriate to adopt the going concern basis of accounting in preparing the Company financial statements.

Financial Reporting Standard 101 'Reduced disclosure framework'

The directors opted to prepare these financial statements in accordance with FRS 101. The Company intends to continue to use this accounting framework until further notice.

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

- IFRS 7 'Financial Instruments: Disclosures'.
- Paragraphs 91 to 99 of IFRS 13 'Fair Value Measurement', so exempting the Company from disclosing valuation techniques and inputs used for the measurement of assets and liabilities.
- Paragraph 38 of IAS 1 'Presentation of Financial Statements', 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.
- The following paragraphs of IAS 1 'Presentation of Financial Statements':
  - paragraphs 10(d) and 111, so exempting the Company from providing a cash flow statement and information;
  - paragraph 16, so exempting the Company from providing a statement of compliance with all IFRS;
  - paragraph 38A, so exempting the requirement for a minimum of two of each primary statement and the related notes;
  - paragraphs 38B to D, so exempting the Company from the requirement to provide additional comparative information; and
  - paragraphs 134 to 136, so exempting the Company from presenting capital management disclosures.

2. Basis of preparation (continued)

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

- IAS 7 'Statement of Cash Flows'.
- Paragraphs 30 and 31 of IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors', so exempting the Company from disclosing information where it has not applied a new IFRS which has been issued but is not yet effective.
- Paragraph 17 of IAS 24 'Related Party Disclosures', so exempting the Company from providing key management compensation.
- The requirements in IAS 24 'Related Party Disclosures' to disclose related party transactions with wholly-owned members of the Group.

Estimates and judgments

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 financial statements, are disclosed in note 4.

3. Significant accounting policies

The principal accounting policies are set out below and they have been applied consistently to both financial years presented, unless otherwise stated.

Content from accounting standards, amendments and interpretations is excluded where there is no policy choice under UK accounting standards.

Revenue recognition

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

Revenue 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.

Software licence and implementation services are primarily accounted for as a single performance obligation, with revenue recognised when the combined offering is delivered to the customer. These services are distinguished between:

- Experian-hosted solutions, where the customer has the right to access a software solution over a specified time period. Customers simultaneously receive and consume the benefits of the service and revenue is spread evenly over the period that the service is available; and
- On-premise software licence arrangements, where the software solution is installed in an environment controlled by the customer. The arrangement represents a right to use licence and so the performance obligation is considered to be fulfilled on delivery completion, when control of the configured solution is passed to the customer. Revenue is recognised at that point in time.

Accrued income balances, which represent the right to consideration in exchange for goods or services that the Company has 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 receivable. This typically arises where the timing of the related billing cycle occurs in a period after the performance obligation is satisfied.

3. Significant accounting policies (continued)

Revenue recognition (continued)

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

Interest

Interest receivable and payable is recognised on an accruals basis.

Leased assets

An assessment is made as to whether a contract 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 it has 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 the Company recognises 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

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 outstanding at the commencement date, discounted at the incremental borrowing rate determined to be appropriate for the Company.

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. They include 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 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 profit and loss account if the asset is fully depreciated. The Company presents right-of-use assets within tangible assets and lease obligations within creditors in the balance sheet.

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:

Leasehold improvements	-	over the remaining period of the lease
Fixtures and fittings, tools and equipment	-	3 to 5 years

3. Significant accounting policies (continued)

Debtors and creditors

Debtors are initially recognised at fair value and subsequently measured at this value less loss allowances. Where the time value of money is material, they are then carried at amortised cost using the effective interest rate method, less loss allowances. A loss allowance is established under the lifetime expected credit loss approach when there is objective evidence that the Company will not be able to collect all amounts due according to their original terms. Creditors are initially recognised at fair value. Where the time value of money is material, they are then carried at amortised cost using the effective interest method.

Tax

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

Deferred tax is provided in respect of temporary differences that have originated but not reversed at the balance sheet date and is determined using the tax rates that are expected to apply when the temporary differences reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are recognised only to the extent that they are expected to be recoverable.

Foreign currency translation

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.

	Average		Closing		
	2021	2020	**2021**	2020	2019
Euro: Russian rouble	**87.42**	72.84	**88.38**	85.91	72.97
Euro: Pound Sterling	**1.12**	1.14	**1.17**	1.13	1.16

4. Critical accounting estimates, assumptions and judgments

(i) Critical accounting estimates and assumptions

In preparing the financial statements, management is required to make estimates and assumptions that affect the reported amount of income, costs and charges, assets and liabilities and the disclosure of contingent liabilities. The resulting accounting estimates, which are based on management's best judgment at the date of the financial statements, will, by definition, seldom equal the related actual results. There are no estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

(ii) Critical judgments

In applying the Company's accounting policies, management may make judgments that have a significant effect on the amounts recognised in the Company financial statements. These judgments may include the classification of transactions between the Company profit and loss account and the Company balance sheet. There are no such judgments in the case of these financial statements.

Notes to the financial statements for the year ended 31 March 2021 (continued)

5. Revenue

Revenue predominantly arises from decisioning contracts with customers based in Russia and surrounding countries. Decisioning is predominantly turnover from software licence and delivery services. The timing of revenue recognition in relation to these contracts is discussed in note 3.

Contract balances and contract costs

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 €460,000 (2020: €2,306,000). 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 €1,133,000 (2020: €1,076,000).

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.

Revenue recognised in the year of €607,000 (2020: €489,000) was included in the opening contract liability.

The carrying amount of assets recognised from costs to obtain and costs to fulfil contracts with customers at 31 March 2021 is €365,000 and €2,593,000 respectively (2020: €582,000 and €172,000).

6. Staff costs and numbers

Staff costs	**2021** **€'000**	2020 €'000
Wages and salaries	**319**	3,333
Social security costs	**385**	447
	704	3,780

Monthly average staff numbers (including directors)	**2021** **Number**	2020 Number
Production	**15**	20
Distribution and sales	**6**	7
Administrative	**6**	7
	27	34

The reduction in staff costs in the year ended 31 March 2021 relates to deferred labour costs on a significant credit bureau platform project.

7. Foreign exchange revaluation

The foreign exchange revaluation is comprised of foreign exchange losses (2020: losses) on intra-group transactions and financing.

Notes to the financial statements for the year ended 31 March 2021 (continued)

8. (Loss)/profit before tax

No directors received any remuneration in respect of their services to the Company, either from the Company or from other group undertakings during the year ended 31 March 2021 (2020: €nil). Details on employee numbers and employee costs is disclosed in note 6.

The auditors received remuneration of €3,000 for the audit of the Company's financial statements for the year ended 31 March 2021 (2020: €3,000) which was paid by Experian Finance plc and was not recharged. Experian Finance plc is a fellow subsidiary undertaking of Experian plc.

9. Tax on (loss)/profit

(a) Analysis of charge for the year

	2021 €'000	2020 €'000
Current tax:		
UK corporation tax (credit)/charge on (loss)/profit for the year	**(233)**	-
Overseas tax	**1,505**	1,111
Adjustment in respect of prior year	**-**	11
Total current tax charge	**1,272**	1,122
Deferred tax:		
Origination and reversal of timing differences	**(3)**	8
Adjustment in respect of prior year	**(1)**	(3)
Total deferred tax (credit)/charge	**(4)**	5
Tax charge on profit	**1,268**	1,127

(b) Factors affecting the tax charge for the year

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

	2021 €'000	2020 €'000
(Loss)/profit before tax	**(1,294)**	1,311
(Loss)/profit before tax multiplied by the standard rate of UK corporation tax 19% (2020: 19%)	**(245)**	249
Effect of:		
Overseas tax	**1,505**	1,111
Relief for overseas tax borne	**-**	(254)
Expenses not deductible	**9**	13
Adjustment in respect of prior year	**(1)**	8
Total tax charge for the year	**1,268**	1,127

In the foreseeable future, the Company's tax balances will continue to be influenced by the nature of its income and expenditure and arrangements with fellow group undertakings for the surrender of UK tax profits and losses. Equally the Company's tax balances could be affected by changes in UK tax law.

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. There is currently no indication of a tax rate change in Russia.

10. Tangible assets

	Leasehold improvements €'000	Fixtures, fittings, tools and equipment €'000	Right-of-use assets - Buildings €'000	Total €'000
Cost:				
As at 1 April 2020	301	1,017	359	1,677
Additions	-	-	937	937
Disposal	-	-	(359)	(359)
At 31 March 2021	**301**	**1,017**	**937**	**2,255**
Depreciation:				
At 1 April 2020	226	842	217	1,285
Charge for the year	75	65	182	322
Disposal	-	-	(341)	(341)
At 31 March 2021	**301**	**907**	**58**	**1,266**
Net book amount:				
At 31 March 2020	75	175	142	392
At 31 March 2021	**-**	**110**	**879**	**989**

11. Debtors – amounts falling due within one year

	2021 €'000	2020 €'000
Trade debtors	**1,483**	2,280
Amounts owed by group undertakings	-	448
Other debtors	-	134
Prepayments	**131**	111
Contract assets	**940**	1,302
Contract costs	**2,822**	406
	5,376	4,681

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

12. Debtors – amounts falling due after more than one year

	2021 €'000	2020 €'000
Contract assets	**1,329**	1,657
Contract costs	**135**	348
Deferred tax asset (note 15)	**69**	65
	1,533	2,070

Notes to the financial statements for the year ended 31 March 2021 (continued)

13. Creditors – amounts falling due within one year

	2021 €'000	2020 €'000
Trade creditors	**81**	65
Amounts owed to group undertakings	**13,081**	14,068
Corporation tax liability	**518**	1,103
Accruals	**642**	818
Contract liabilities	**4,441**	650
Other creditors including tax and social security	**1,175**	415
Lease obligations (note 16)	**143**	161
	20,081	17,280

Amounts owed by group undertakings are primarily unsecured with no fixed date for repayment and earn interest at rates based on LIBOR for the currency in which the balances are denominated.

14. Creditors – amounts falling due after more than one year

	2021 €'000	2020 €'000
Lease obligations (note 16)	**749**	-

15. Deferred tax

Deferred tax asset:	2021 €'000	2020 €'000
At 1 April	**65**	70
Tax credit/(charge) in the profit and loss account	**4**	(5)
At 31 March	**69**	65

Analysis of deferred tax balance:

	2021 €'000	2020 €'000
Depreciation in excess of capital allowances claimed	**69**	65

There are no unprovided deferred tax assets or liabilities (2020: €nil).

16. Leases

The Company leases its office. The lease term is five years.

(a) Amounts recognised in the balance sheet

	2021 €'000	2020 €'000
Right-of-use asset:		
At 1 April	**142**	314
Additions	**937**	45
Disposal	**(18)**	-
Depreciation charge for the year	**(182)**	(217)
At 31 March	**879**	142

Notes to the financial statements for the year ended 31 March 2021 (continued)

16. Leases (continued)

(a) Amounts recognised in the balance sheet (continued)

	2021 €'000	2020 €'000
Lease obligations:		
Current	**143**	161
Non-current	**749**	-
At 31 March	**892**	161

(b) Maturity of lease obligations – contractual undiscounted cash flows

	2021 €'000	2020 €'000
Less than one year	**199**	169
One to two years	**215**	-
Two to three years	**232**	-
Three to four years	**250**	-
Four to five years	**176**	-
Total undiscounted lease obligations at 31 March	**1,072**	169

(c) Amounts recognised in the profit and loss account

	2021 €'000	2020 €'000
Depreciation charge for right-of-use asset	**182**	217
Interest expense	**23**	26
	205	243

17. Called-up share capital

	2021 €	2020 €
Allotted and fully paid - 2 ordinary shares of £1 each	**2**	2

18. Profit and loss account

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

19. Other reserves

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

Notes to the financial statements for the year ended 31 March 2021 (continued)

20. Related party transactions

Included in trade debtors reported in note 12 is €326,000 (2020: €96,000) owed by United Credit Bureau (a closed joint-stock Russian company), a 25% owned associated undertaking of the Experian Group. The Company provided IT development and administrative support services to that company, and made charges to it of €1,837,949 (2020: €2,495,000) for those services.

21. Ultimate parent undertaking and controlling party

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

The Company's ultimate parent company 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.

22. Events occurring after the end of the reporting period

On 30 November 2021, the Company allotted and issued 12,077,590 in fully paid ordinary shares of £1 each in the capital of the Company to GUS Treasury Services BV, for cash at par, equivalent in value to the US Dollar value of RUB 1,200,000,000.