Powering opportunities

Experian Annual Report 2019
Year ended 31 March 2019

We aim to

Create a better tomorrow

For consumers and for our clients, our people and our communities

We do this by

Powering opportunities

Turning data into information, and creating advanced technologies and analytics

Helping you to take

Control

Empowering people and businesses to use their data and seize opportunities

We foster a culture of

Innovation

Shaping ideas and developing world-changing products

We live by our

Values

How we work is as important as what we do

The role we play

Benefits everyone

Businesses grow, people prosper and communities thrive

Progress this year

Experian made good progress during the year. We performed strongly and we are excited about the opportunities ahead as we successfully advance our strategic agenda and as we address new markets.

We have delivered further progress in Business-to-Business and momentum in Consumer Services is gathering pace.

Our services resonate with businesses who can better manage risk, reduce costs, detect fraud and operate more efficiently by using our deep, rich and ever-broader datasets, as well as our advanced analytics and decisioning software.

We are building deeper relationships with consumers worldwide as we help them improve their financial lives and help put them in control so they can achieve their goals.

We are excited about the future for consumers, for businesses and for Experian.

Financial highlights

Statutory	Growth % at actual rates	Growth % at constant rates
Revenue		
US$4,861m (2018: US$4,584m)	+6%	+9%
Operating profit		
US$1,162m (2018: US$1,051m)	+11%	+16%
Profit before tax		
US$957m (2018: US$950m)	+1%	+7%
Basic EPS		
USc76.9 (2018: USc85.4)	-10%	-3%

Benchmark	Growth % at actual rates	Growth % at constant rates
Revenue[1]		
US$4,855m (2018: US$4,572m)	+6%	+9%
Benchmark EBIT[1]		
US$1,306m (2018: US$1,241m)	+5%	+10%
Benchmark profit before tax		
US$1,198m (2018: US$1,162m)	+3%	+8%
Benchmark EPS		
USc98.0 (2018: USc94.4)	+4%	+9%

1 From ongoing activities.

The 2018 financial highlights have been restated following the adoption of IFRS 15. See note 3 to the Group financial statements for further detail.

See note 7 to the Group financial statements on page 129 for definitions of non-GAAP measures.

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To download this Annual Report and our other corporate literature visit **www.experianplc.com**

Roundings
Certain financial data has been rounded in this report. As a result, the totals of data presented may vary slightly from the actual arithmetic totals of the data.

Exchange rates
Principal exchange rates used are given in note 11 to the Group financial statements. The average pound sterling to US dollar rate is 1.31 (2018: 1.33).

Experian at a glance

We are a global technology company and market leader in data and analytics. We help people and businesses to unlock the power of data and seize opportunities through the innovations we deliver in data, analytics and software. We manage and organise ourselves across four geographic reporting regions and two main business activities.

North America
See page 39

UK and Ireland
See page 41

EMEA/Asia Pacific
See page 42

Latin America
See page 40

145m
Business credit history records

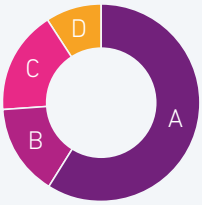
44
Countries

1.2bn
Consumer credit history records

4
DataLabs

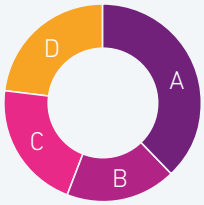
17,200
Employees

55m
Free consumer membership base



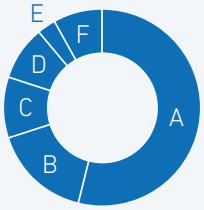
Revenue[1] by region

		US$m	%
A	North America	2,913	59
B	Latin America	707	15
C	UK and Ireland	813	17
D	EMEA/ Asia Pacific	422	9
	Total	4,855	



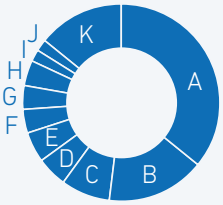
Our people by region[2]

		Number	%
A	North America	6,600	38
B	Latin America	3,100	18
C	UK and Ireland	3,600	21
D	EMEA/ Asia Pacific	3,900	23
	Total	17,200	



Global cost profile

		%
A	Labour	54
B	Data	16
C	Marketing	10
D	IT	9
E	Central Activities	3
F	Other	8



Revenue[1] by customer

		%
A	Financial services	36
B	Direct-to-consumer	16
C	Health	8
D	Retail	5
E	Automotive	5
F	Software and professional services	4
G	Telecommunications and utilities	4
H	Insurance	4
I	Media and technology	2
J	Government and public sector	2
K	Other	14

1 Revenue from ongoing activities.

2 Full-time equivalent employees as at 30 April 2019.

Business activities

Business-to-Business Data

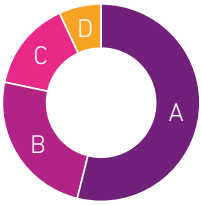
We help businesses to identify and understand their customers, to manage the risks associated with lending and to lend responsibly. We also help them build a better understanding of consumers' preferences.

See more on page 21

Revenue[1]

US$2,625m

+7%



Business-to-Business Decisioning

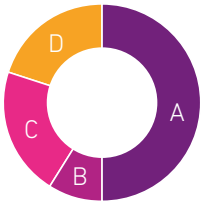
We are experts at creating and developing innovative analytical and decisioning tools. We help businesses to manage their customers, minimise the risk of fraud, comply with legal requirements and automate decisions and processes.

See more on page 21

Revenue[1]

US$1,245m

+14%



Consumer Services

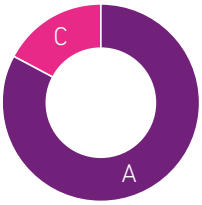
We help consumers take control of their financial lives, making it easier for them to manage their financial position, access credit offers, and protect themselves from identity fraud. We provide financial education, free access to Experian credit reports and scores, online tools and apps.

See more on page 21

Revenue[1]

US$985m

+6%



Revenue[1] by region and business activity (US$m)

	Data	Decisioning	Business-to-Business	Consumer Services	Total
A North America	1,468	623	**2,091**	**822**	**2,913**
B Latin America	594	113	**707**	**n/a**	**707**
C UK and Ireland	388	262	**650**	**163**	**813**
D EMEA/Asia Pacific	175	247	**422**	**n/a**	**422**
Total	**2,625**	**1,245**	**3,870**	**985**	**4,855**

1 Revenue from ongoing activities.

Chairman's statement

Innovating to drive business growth and social impact

"This year has been an exciting one for Experian as we delivered strong performance globally and continued to lead with new product innovation. Experian has evolved into a global technology company and market leader in data and analytics."

Don Robert
Chairman

This year has been an exciting one for Experian as we delivered strong performance globally and continued to lead with new product innovation. Experian has evolved into a global technology company and market leader in data and analytics. We are at the heart of the data revolution and are positioned strongly for future growth, as our role serving individual consumers and businesses becomes ever more critical.

Performance and returns

Experian continued to deliver good revenue growth across all regions, highlighted by significant growth in our Business-to-Business activities, most notably in North America, EMEA and Asia Pacific regions. We also made excellent progress in our Consumer Services business as we continue to build direct relationships with millions of consumers worldwide.

This success has delivered strong returns for our shareholders. Our share price has risen over 270% since we floated in 2006 and Experian is now valued at approximately £20 billion. We remain committed to delivering long-term sustainable shareholder returns, and our Total Shareholder Return (TSR) over the last three years has outperformed the FTSE 100 by 43%. We have also provided US$7.3 billion in total capital returns to shareholders since 2006. In the last year alone we have returned US$628 million to shareholders by way of dividend payments and our share buyback programme.

Technology and innovation

We continue to make great progress in building a culture of continuous innovation. We are focused on creating solutions which empower consumers and many organisations worldwide. Our culture has been recognised externally once again as we have been named on the Forbes list of Top 100 Most Innovative Companies for the fifth year running. This comes as we continue to transform our business into a leading technology and software provider, helping organisations as

they digitise their services. We also continued the roll-out of our industry-leading DataLabs, having opened our fourth globally in Singapore during the year. These have proved to be great testbeds for driving ground-breaking innovations, including the use of augmented and virtual reality to help deliver instant credit in retail environments.

Our great work for clients also continued apace with significant products such as Ascend. This industry-leading analytical platform, which provides best-in-class modelling and decisioning analytics using near real-time customer credit data and commercial data, is being used by many of the world's top financial institutions. Innovative products like our PowerCurve and CrossCore solutions are driving growth while meeting client demands for cutting-edge technologies.

Financial inclusion

We have made great strides in addressing the global issue of financial inclusion. An estimated 1.7 billion people across the world are currently unbanked or do not have a financial profile. This means they are often unable to effectively operate in today's credit economy. The impact of being 'credit invisible' is significant as individuals will often have to bear higher costs to access credit or find themselves excluded from everyday mainstream financial products altogether. To bring more consumers into the mainstream credit economy and give them access to better terms and products, we are introducing new services. Most notably, in the USA, we recently introduced Experian Boost, which gives consumers the ability and choice to use their data to build out their credit files and improve their credit score by including regular payments for utilities, mobile phone or cable TV bills. Boost will bring more consumers into the credit system, which will translate into access to more financial products and potentially lower interest rates on mortgages, car loans or credit cards.

Likewise, in India there are 356 million people who are credit invisible and who do not appear in our Indian credit bureau. These people are often forced to borrow outside the formal banking system at a much higher rate of interest. We have developed solutions which incorporate non-traditional data sources like mobile phone data, combined with financial education, to enable people to build a credit profile. We are extending this model in other territories pioneering new credit scoring technology that enables the delivery of small loans to people outside the formal economy. These are major initiatives which are central to our strategy.

Data protection and security

As a trusted steward of information, the security and integrity of how we manage data is a top priority to everyone at Experian and is a Board-level priority. We invest hundreds of millions of dollars every year on cyber security and technology, both to maintain our strong defences and to provide a secure environment for data. Our information security teams are deeply embedded in our businesses and continually assess both our current needs and new potential threats. The Audit Committee is fully engaged in providing information security oversight, supported by the Group's Executive Risk Management and Security and Continuity Steering Committees.

Data privacy and regulation

Data management has been under greater scrutiny across many of the jurisdictions where we operate. As a business with a demonstrated history of compliance, as well as positive relationships with regulators worldwide, we remain focused on meeting our regulatory obligations and engaging with regulators in the evolving regulatory landscape. We believe data companies have a responsibility to directly engage consumers in all markets to provide help, assistance and products to improve their financial lives. One recent example is our launch in March of Experian Boost in the USA as described above. This is just one way that Experian continues to give consumers more access and choice in how they work with us.

"We have made great strides in addressing the global issue of financial inclusion. An estimated 1.7 billion people across the world are currently unbanked or do not have a financial profile."

Chairman's statement continued

Our role in society

Experian's fundamental purpose is to create a better tomorrow for consumers and organisations; this is deeply ingrained in all aspects of our business. We fully accept our responsibilities and are continuously looking for new ways we can support the most disadvantaged populations around the world, helping them to build their identities and access financial products. Our social innovation fund has invested over US$5.5m since 2013 in products specifically designed to have a positive impact on those vulnerable communities. To date we have reached 20 million additional people across the globe with these solutions to help them get fair and affordable access to financial products. Our social innovation solutions include our Payment Plan Advisor in the USA, which has provided personalised payment plans for over 300,000 medical patients, and our new financial education app, GeleZAR which launched in South Africa in March 2019 and is already in the hands of 2,000 low-income micro-entrepreneurs.

I am also pleased to report that we have cut our greenhouse gas emissions by over 6% during the year. Collectively, our employees also spent over 41,000 hours of their work time out of the office helping with volunteering and community projects.

"Experian's fundamental purpose is to create a better tomorrow for consumers and organisations; this is deeply ingrained in all aspects of our business."

People and culture

Experian employs some 17,200 hugely talented and committed people around the world, and the culture in which they work remains critical to our success. In order to continue to attract the brightest and best, we are committed to progressive policies which ensure that our employees can best perform their role and meet the needs of consumers and our clients irrespective of their personal circumstances. Delivering market-leading innovation on a global scale to an increasingly diverse set of clients and customers means that we must be equally flexible and diverse.

We have made particular progress in the areas of female empowerment, flexible working, paid parental leave and Employee Resource Groups. One example, the Women in Experian Resource Group, is focused on bringing awareness of gender balance and on celebrating inclusion.

We have seen our efforts recognised internationally by independent third parties. We were pleased during the year to have been recognised in the UK by the Top Employers Institute in addition to winning Britain's Most Admired Company working in Business Support Services. Our North American operational headquarters was named among the top workplaces in the USA, called out for its commitment to diversity and inclusion. Additionally, we received multiple recognitions as a top employer in Chile, South Africa and Malaysia.

Board and governance

Good governance is a foundational element of any successful international organisation. The Board continues to perform strongly in ensuring the effectiveness of our governance processes throughout the business. The Board has collective responsibility for setting the Group strategy and ensuring the necessary financial and human resources are in place to achieve our goals.

During the year, Paul Walker, independent non-executive director, gave notice of his intention to stand down at the AGM in July 2019, having joined the Board in June 2010. On behalf of the Board, I would like to thank Paul for his valuable contributions, experience and wise counsel, as well as serving as a member of our Audit, Nomination and Corporate Governance and Remuneration Committees.

Looking ahead

We also announced in December 2018 that I intend to step down as Chairman at the later of the conclusion of the 2019 AGM or when a successor is in place. As I reflect on my 18 years of involvement with Experian, it has been a great honour and pleasure to work with so many talented and dedicated people around the world.

Experian is in great hands and we are fortunate to have such an outstanding executive team in Brian Cassin, Lloyd Pitchford and Kerry Williams. I know that, together with my successor, they will form a very strong team, continue to deliver great results and ensure that Experian's successful future, and our culture of innovation and high performance, is assured.

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Our strategy
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Our people and corporate responsibility
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Board of directors
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Connecting patient data drives better healthcare

with Experian's Universal Identity Manager for healthcare

"We're making a real difference to patient safety and care co-ordination by improving the accuracy of healthcare records in the USA."

Karly Rowe
Vice President New Product Development, Experian Health

Incomplete or inaccurate medical records can impact your care

When you relocate to a new city, start a new job, or spend your summer at a holiday home in a different state, what happens to your medical records? Unfortunately, they don't automatically follow you. You have to arrange to have them sent to your new doctor, who may input the data manually, potentially resulting in incomplete or inaccurate records.

And what happens if you've travelled interstate and have a medical emergency or need a prescription filled? Without visibility of your full medical record, how will medical staff know that you shouldn't be given a medication or be mindful of a recent procedure?

The implications can be life-threatening and costly. Duplicate, incomplete or inaccurate records may result in care delays, improper treatments or incorrect medications, or redundant procedures and tests. It is estimated that the average hospital in the USA has around 800,000 records, of which 8% to 12% are duplicates.

Better data means better care co-ordination

Performing research with our DataLabs and utilising our data and software expertise, we created the Universal Identity Manager (UIM). At its core is an intelligent matching algorithm which centrally matches and links records. A unique identification number for each patient allows entities across the US health ecosystem (including pharmacies, laboratories, hospitals and medical groups) to share a single view of the patient, in spite of their disparate databases, systems, and data formats. This is a vendor-neutral solution, in which data is securely encrypted and exchanged to enable superior co-ordination of care.

To date, we have processed more than 650m records spanning 163m people, about 50% of the US population.

Higher-quality care, lower costs

For patients this means:

- Higher-quality care and a more seamless patient experience
- The prevention of incorrect treatments or medications that may adversely affect patient health
- A reduction in cost associated with redundant procedures and tests
- Better protection against medical identity theft
- Increased visibility for patients into their medical history, allowing for increased engagement in and control over their health.

For healthcare providers this means:

- Greater visibility of relevant patient information to deliver better, more informed care decisions that improve healthcare outcomes
- A better patient experience leading to higher patient ratings, patient loyalty, and increased government reimbursements
- Secure transmission of personal health data across healthcare entities
- Significant cost savings from the improvement in record reconciliation, prevention of unnecessary treatments or medications, prevention of billing errors, decrease in malpractice lawsuits, improved efficiency of staff and reduction in medical identity fraud.

Strategic focus areas:

- Make credit and lending simpler and faster for consumers and businesses
- Empower consumers to control their data and improve their financial lives
- Help businesses verify consumer identity
- Remove complexity and increase transparency in underserved verticals
- Enable businesses to find, understand and connect with audiences

Chief Executive's review

Driving growth through a culture of continuous innovation

"This was a very good year for Experian. Our investment and innovation agenda delivered strong and broad-based growth with exciting new offers for consumers and businesses."

Brian Cassin
Chief Executive Officer

FY19 was a year of considerable progress for Experian and our business is performing really well. Our addressable markets are expanding and there is increased demand for our services as the rise of big data and machine learning transform the way organisations interrogate and analyse data, as consumers seek greater convenience through real-time transactions and as new ways emerge to widen access to affordable credit in emerging markets. We have successfully introduced ground-breaking new propositions to satisfy this demand and our ambition is to scale these capabilities systematically across our geographies.

Financial performance was strong with:

- Total revenue growth of 9% at constant currency, with total revenue growth at actual exchange rates of 6%, and organic revenue growth of 9%.
- Strong growth across all regions with notable performances in North America and EMEA/Asia Pacific.
- Strong performance in B2B with organic revenue growth of 9% helped by good take-up rates for new sources of data and new product innovations.
- Good growth in Consumer Services, with organic revenue up 6% as we introduce new offers and build relationships with millions of consumers.
- Growth in Benchmark EBIT of 10% at constant exchange rates, 5% at actual exchange rates.
- Enhanced Benchmark EBIT margins at constant currency, with an increase of 20 basis points to 26.9%, as we drove significant productivity across the business with full-time-equivalent headcount up only 1%. At actual exchange rates, the Benchmark EBIT margin reduced by 20 basis points due to currency translation effects.

- Growth in Benchmark earnings per share of 9% at constant exchange rates and 4% at actual exchange rates.
- Strong Benchmark EBIT conversion into cash, with 97% conversion of Benchmark EBIT into Benchmark operating cash flow.

Strategically in our B2B segment, we made significant progress as we secured new and bigger client engagements driven by:

- Investments in new product innovation, including the roll-out of Experian Ascend. The Ascend Sandbox is now installed in our largest clients in North America, we have introduced new modules on the platform and we have commenced the extension of Ascend to the US mid-market. We also collectively secured new clients for Ascend in the UK, Brazil and Italy, with plans to introduce it to more Experian markets in the coming months.
- Access to a wider range of data sources as we have added low income, rental and consumer-permissioned data to our more traditional credit datasets, and as we make it easier for our clients to consume and use data in real time. Clarity Services in North America performed very strongly, significantly ahead of the buy plan.
- Very strong take-up rates for Decisioning platforms. In FY19 we secured new contracts for PowerCurve including for the most recent collections module; our fraud and identity platform CrossCore secured 70 client wins this year to take total clients to 133; and we secured our first client agreements for Experian One, our new SaaS-based decisioning platform.
- Expanding rapidly across key vertical markets with double-digit growth across Experian Health and our North America automotive vertical.
- Introducing new commercial propositions on our open data platform, which enable clients to automate critical risk management processes such as affordability assessments.
- Signing new commercial agreements, alongside equity investments, to power data marketplaces with C88 and Jirnexu, two of the fastest growing credit comparison sites in Indonesia, the Philippines and Malaysia.

We also made significant strategic progress in Consumer Services as we:

- Secured direct relationships with over 55m consumers for free Experian offers (up from 40m in FY18). We now have 19m free members in the USA, over 32m in Brazil and 5.6m in the UK.
- Delivered strong growth in credit marketplace (lead generation) revenues, which achieved revenues of over US$50m globally for the year.
- Introduced Experian Boost, which for the first time in the USA provides consumers with the ability to potentially change their credit score by adding more information to their credit file. Since the full advertising launch in March 2019, over 600,000 US consumers have connected their accounts to Experian Boost.
- Added IdentityWorks memberships in North America, which reached 375,000. Together, IdentityWorks and CreditMatch exited the year with US$110m of annualised revenue, up over 130% year-on-year.
- Through the acquisition of the reserved response business of AllClear ID in March 2019, we have reinforced the strength of our identity protection and breach services offerings, markets which are expanding rapidly.

"We have strengthened our prospects and expanded our opportunities; both our B2B and Consumer Services businesses delivered strongly."

+9%
Organic revenue growth

USc 46.5
Total dividend per share

Chief Executive's review continued

With regards to capital allocation and uses of cash:

- We invested organically across a broad range of initiatives in support of our strategy. We also made inorganic investments through acquisitions, minority investments and venture investments totalling US$125m. We expect to continue to prioritise investing in technology and innovation to drive competitive advantage and strong sustainable growth.
- We are announcing a second interim dividend of 32.5 US cents per share, up 4% year-on-year to bring the total for FY19 to 46.5 US cents per share. This dividend will be paid on 26 July 2019 to shareholders on the register at the close of business on 28 June 2019.
- We completed US$215m in share repurchases. We are announcing a new share repurchase programme of up to US$400m.
- We maintained tight discipline on capital allocation, ending the year with Net debt of US$3,275m, which places us at 2.0 times Benchmark EBITDA by the end of the year, at the bottom of our target leverage range of 2.0 to 2.5 times Net debt to Benchmark EBITDA.
- Return on capital employed continues to be strong at 15.9%, up 40 basis points on the prior year (2018: 15.5%).

Revenue and Benchmark EBIT by region, Benchmark EBIT margin

	2019 US$m	2018[1] US$m	Total growth[2] %	Organic growth[2] %
Revenue				
North America	**2,913**	2,618	11	10
Latin America	**707**	778	6	6
UK and Ireland	**813**	788	4	4
EMEA/Asia Pacific	**422**	388	14	14
Ongoing activities	**4,855**	4,572	9	9
Exited business activities[1]	**6**	12	n/a	
Total	**4,861**	4,584	9	
Benchmark EBIT				
North America	**940**	821	14	
Latin America	**231**	259	9	
UK and Ireland	**230**	235	(1)	
EMEA/Asia Pacific	**3**	5	n/a	
Total operating segments	**1,404**	1,320	11	
Central Activities – central corporate costs	**(98)**	(79)	n/a	
Benchmark EBIT from ongoing activities	**1,306**	1,241	10	
EBIT – exited business activities[1]	**5**	6	n/a	
Total Benchmark EBIT	**1,311**	1,247	10	
Benchmark EBIT margin – ongoing activities	**26.9%**	27.1%		

1 Results for 2018 are restated for IFRS 15 and the reclassification to exited business activities of certain B2B businesses.

2 At constant exchange rates.

See the Financial review for analysis of revenue, Benchmark EBIT and Benchmark EBIT margin by business segment and note 7 to the Group financial statements for definitions of non-GAAP measures.

Investment case

A unique proposition

Experian is a unique investment proposition operating at the heart of the accelerating data and analytics revolution.

Our roots are in providing credit information and assessing lending risks. This is still a cornerstone of our business, but we also do much more – for individuals, as well as for lenders, telecommunications providers, automotive companies, governments, US healthcare providers and many other industries.

Experian today:

- collects, aggregates and analyses substantial amounts of data
- helps people and organisations derive better meaning from data to achieve better outcomes
- develops sophisticated software platforms to drive insight and decision-making based on data
- provides fraud detection and fraud prevention capabilities.

In response to growing demand for our services we have expanded far beyond our roots in the UK and the USA. Today we operate in 44 countries and employ 17,200 people.

We see significant potential for achieving further growth by investing in people, data and the science of data interpretation, aided by advanced technologies such as artificial intelligence and machine learning. By putting our clients first and investing in new tools and technologies of this kind, we aim to build on our strong financial record and create further opportunities for all our stakeholders.

We are a leader in global information services with strong market positions

- We are a **market leader**, holding the number one or two positions across our largest markets – the USA, Brazil and the UK.
- We have a **diversified portfolio** of businesses across different sectors and geographies.
- Our **business model is scalable**, so we can grow quickly with low incremental cost.
- We achieve **significant synergies** across our operations by combining data sources, integrating analytics and using technology to secure competitive advantage.
- Together these four strengths create a **high barrier to entry.**

Our growth potential is significant

- We continually invest in **product innovation and new sources of data** to address new market opportunities.
- We have **significant relationships with consumers**, unique in our industry, which provide a strong base from which to grow.
- We are **expanding our position** with existing clients and adding new ones in our more developed markets.
- We have great potential to introduce and **expand our services** in emerging markets.
- We are expanding our services in **new industry segments** such as US healthcare.

Our financial track record is impressive

- We have averaged 6% annual organic revenue growth* since we became a listed company in 2006.
- Our revenue is highly recurring in nature, as many of our products and solutions are mission critical and deeply embedded within our clients' operating processes.
- We are a highly cash-generative, low capital intensity business. Our Benchmark EBIT to Benchmark operating cash flow conversion rate has averaged 99% since we became a listed company in 2006.
- We make the best use of cash we generate, balancing the need for organic investment in innovation, and acquisitions with returns to shareholders, through dividends and share repurchases.

See key market trends on page 15

See Our strategy on page 24

* Please refer to note 7 to the Group financial statements for definitions of organic revenue growth and Benchmark EBIT to Benchmark operating cash flow conversion.

Key performance indicators

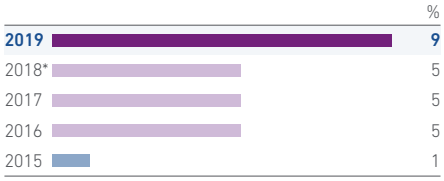
A year of good progress

We have made good progress in many of our performance measures, particularly our financial results. Our investment and our focus on innovation, consumer empowerment, employee engagement and environmental responsibility are delivering results.

Organic revenue growth
9%

Aim: To consistently deliver mid- to high-single-digit organic revenue growth

Progress: This year total and organic revenue growth was 9%, delivering our strongest growth performance in seven years. Major contributions to that growth came from our North America and EMEA/Asia Pacific regions.



See note 10(a)(ii) to the Group financial statements for a reconciliation of revenue from ongoing activities, including disclosure of organic revenue growth for the year ended 31 March 2019

Benchmark EBIT
US$1,306m

Benchmark EBIT margin
26.9%

Aim: To operate our business efficiently and cost effectively

Progress: This year, Benchmark EBIT was US$1,306m, up 10% at constant exchange rates and up 5% at actual rates. Benchmark EBIT margin was 26.9%, up 20 basis points before the impact of foreign exchange rates, and down 20 basis points overall.

	US$m	Margin %
2019	**1,306**	**26.9**
2018*	1,241	27.1
2017	1,197	27.6
2016	1,130	27.1
2015	1,271	27.3

Benchmark EBIT and Benchmark EBIT margin relate to ongoing activities only

See page 87 – Benchmark EBIT is a directors' remuneration measure

Return on capital employed (ROCE)
15.9%

Aim: To generate good returns on the investments we make and deliver long-term value for shareholders

Progress: This year ROCE was 15.9%, up 40 basis points on the prior year.

See page 87 – ROCE is a directors' remuneration measure

Includes the performance of CCM

* Results for 2018 are restated for IFRS 15 and the reclassification to exited business activities of certain B2B businesses.

See note 7 to the Group financial statements for definitions of these non-GAAP measures: organic revenue growth, Benchmark EBIT, Benchmark EBIT margin, ROCE, Benchmark PBT per share, and Benchmark operating cash flow and cash flow conversion. Further information is given in the Financial review.

Benchmark earnings per share

USc98.0

Aim: To deliver earnings growth for shareholders while balancing reinvestment back in the business to generate sustainable future growth

Progress: Benchmark earnings per share was 98.0 US cents, up 9% at constant exchange rates and up 4% at actual rates.

This newly introduced KPI replaces 'Benchmark PBT per share' as we believe it gives a clearer view of the final underlying performance of the business for shareholders.

See page 87 – adjusted Benchmark EPS is a directors' remuneration measure

Benchmark operating cash flow

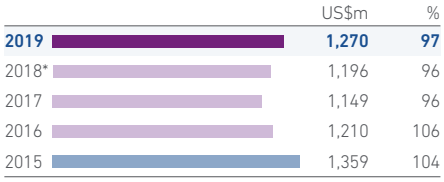
US$1,270m

Cash flow conversion

97%

Aim: To convert at least 90% of Benchmark EBIT into Benchmark operating cash flow

Progress: Cash flow performance was strong this year with Benchmark operating cash flow of US$1,270m, up US$74m on last year, and we exceeded our target with 97% cash flow conversion.



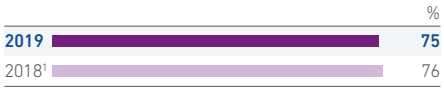
See page 87 – Cumulative Benchmark operating cash flow is a directors' remuneration measure

Employee engagement

75%

Aim: To ensure Experian is a great place to work, attracting and retaining the best people

Progress: Our most recent survey was completed by 86% of employees. Employee engagement levels measured were 75% favourable, slightly down (1%) on the previous survey[1]. 16% of employee engagement levels were neutral and 9% unfavourable.



1 The FY18 results were restated from 71% to 76% due to a change in how we calculate the answer on 'Intention to stay' questions in the FY19 survey.

See the Our people and corporate responsibility section on pages 32 to 35 for further information on the 2019 survey results

Greenhouse gas emissions (000s CO_2e tonnes[1])

47.7

Aim: To minimise our impact on the environment

Progress: This year we reduced our total carbon footprint by more than 6% to 47,700 tonnes of CO_2e, mainly due to a decrease in global emission factors coupled with our efforts to optimise the efficiency of our buildings. We are now in the process of setting a new carbon target, and we are focusing our efforts where we can make the biggest difference, by cutting the carbon footprint of our buildings.

	Total CO_2e emission (000s tonnes)			CO_2e emission per US$1,000 of revenue (kilogrammes)	CO_2e emission per full-time equivalent employee[4] (tonnes)
	Buildings	Travel	Total		
2019	**31.3**	**16.4**	**47.7**	**9.8**	**2.8**
2018[2]	34.7	16.3	51.0	11.0	3.1
2017[3]	38.9	15.3	54.2	11.7	3.0
2016	39.8	14.7	54.5	12.0	3.3
2015	42.9	15.0	57.9	12.0	3.5

1 CO_2-equivalent tonnes.

2 The FY18 intensity metric based on revenue has been restated following the adoption of IFRS 15. See note 3 to the Group financial statements for further detail. Metric reported in our 2018 Annual Report: 10.8 Kilograms of CO_2e per US$1,000.

3 The 2017 calculation includes CCM which has been reclassified as a discontinued operation.

4 Full-time equivalent employees as at 31 March 2019.

For further information please refer to the Corporate Responsibility report at **www.experianplc.com/crreport**

Includes the performance of CCM

* Results for 2018 are restated for IFRS 15 and the reclassification to exited business activities of certain B2B businesses.

Opening up fairer access to credit

with Experian Marketplaces

"We are solving real social issues by enabling fairer access to credit through alternative data."

Dev Dhiman
Managing Director, Southeast Asia and Emerging Markets, Experian

Millions of people can't access basic financial services

Nearly 2 billion people worldwide lack access to basic financial services. This inhibits economic and social progress in fast-growing emerging markets.

In countries such as Indonesia, where 51%[1] of adults are unbanked and a population of 260 million people are spread across 14,000 islands, a lack of data combined with a lack of credit reach means that people are unable to get access to basic services such as bank accounts, credit or insurance that would help improve their lives.

An opportunity to increase financial inclusion, by bridging the demand and supply gap

Many people have access to a mobile phone and the digital footprint they create can be used to overcome the lack of data and reach issue.

We have done this in just eight months by combining our data and technology expertise to create Experian Marketplaces. It's a new technology platform that plugs into the consumer ecosystem where there is consumer data available that can help build, or create, more robust financial profiles of consumers.

1 Global Findex (Financial Inclusion Index) database 2017, World Bank

It seamlessly connects online channels, non-traditional data partners, companies and financial providers with consumers, widening access to financial products. No credit bureau data is required.

The customer journey is quick and convenient. Consumers can simply use their mobile phones to:

1. Search online for a loan, credit card or insurance deal

Usually via their favourite financial product comparison site, such as CekAja.com in Indonesia or ringgitplus.com in Malaysia.

2. Consent to share their data

After providing consent, their telecommunications or eCommerce provider securely sends us the data they hold on the consumer, such as how well they've paid their bills over the past 12 months.

3. Compare suitable financial products

We deploy our analytics, scoring and decisioning capabilities to input their data into a scoring model. This helps find a range of financial offers that the consumer might be eligible for.

4. Choose the offer they want

We link the consumer straight through to the financial institution, completing identity and fraud, and required compliance checks.

Greater access to credit and a wider lending universe

For consumers this means:

- Better consumer experience as they only see the credit products they are eligible for, especially for consumers with little financial history
- Higher approval rates – in our modelling we have seen approval rates increase from 1% to more than 20%
- Quicker approval time as verification and processing are automated – some financial institutions have been able to reduce credit approval cycles from up to 10 days, down to just 10 minutes or less.

For financial institutions and insurers this means:

- Access to previously unavailable unbanked or underbanked segments, widening the lending universe
- New leads are generated for financial products, increasing revenue flows
- Significant cost reductions as digital onboarding replaces manual and inefficient processes
- A better customer experience, building brand trust and loyalty.

Strategic focus areas:

- Make credit and lending simpler and faster for consumers and businesses
- Empower consumers to control their data and improve their financial lives
- Help businesses verify consumer identity
- Remove complexity and increase transparency in underserved verticals
- Enable businesses to find, understand and connect with audiences

Understanding our key market trends

A dynamic, rapidly expanding market

A number of mega-trends and forces are affecting our markets and shaping our operating landscape. These trends, which are working in our favour, revolve around new digital journeys and changes in the way we all access digital financial services with the emergence of data and the need for sophisticated analytics to verify and interpret it.

Our market is expanding

Our addressable markets are expanding rapidly, and we are innovating to capture our share in new multi-billion-dollar, high-growth markets. These include data management, decisioning, analytics, identity and anti-fraud, consumer identity solutions and lead generation.

All these opportunities are significant; each is enabled for Experian through the combination of best-in-class data, sophisticated problem-solving solutions and our organic investment over several years. Going forward we intend to pursue all these opportunities at pace and scale.

50%
Consumers now conduct more than half of all web searches from mobile phones

90%
of all available data was generated during the past two years

Understanding our key market trends continued

Communications

Every minute:

- 18 million text messages are sent
- 390 thousand apps are downloaded
- 188 million emails are sent
- 4.5 million videos are viewed

+3.7bn

of us now use the internet, an increase of 7.5% since 2016

Consumers' digital behaviour is changing

Trend

Consumer attitudes and behaviours are changing rapidly as the world becomes ever more mobile and digital. Globally, consumers are conducting an increasing amount of daily activities through digital channels, which in turn is resulting in a proliferation of personal data. In addition, consumers are increasingly more comfortable sharing information in exchange for perceived value.

Consumers expect digital interactions to be fast and frictionless, including when shopping online or when applying for a loan.

Businesses have to work harder than ever to find, serve and retain customers in this hyper-competitive digital world, while also managing risks, adhering to their internal policies and complying with regulations.

Individuals and businesses are also increasingly aware of criminal forces that want to misappropriate their data or to impersonate them.

Our response

We have built direct relationships with more than 55 million consumers globally across our businesses.

We are introducing a range of new services that meet their changing demands, helping them manage their finances more efficiently on any device anytime, anywhere.

Our credit education and identity monitoring services help to educate individuals about how much of their personal data companies hold and how to protect themselves from fraud and financial crime.

Our Marketplaces products are digitising the credit application journey, creating a seamless platform for consumers to be matched with financial products best suited to their needs.

We provide organisations with data and analytical tools so they can understand who they are interacting with and so they can make faster and better decisions about which services to offer.

We enable our clients to work in new and agile ways by providing comprehensive data assets and comprehensive investment in the most advanced analytical and software tools.

Population and wealth

Trend

The increase in the global population is set to continue, with emerging markets becoming key drivers of economic growth over the medium to long term.

Populations across the developed world are ageing; those in faster-growing developing countries are younger. The wealth gap is widening and nearly two billion people worldwide lack access to basic financial services. Many of these people are effectively invisible to traditional financial service providers. Mobile technology is becoming a way to reach these underserved segments of society.

Our response

We are expanding our presence across several developing regions, including in Latin America, Africa and Asia Pacific. We are developing new mechanisms to help people gain access to financial services at fair and affordable rates.

By including additional information sources, the process of assessing credit risk can be made more effective, reducing the cost of extending credit and broadening access.

In developed countries we are adding new sources of data like rental and utility bills; in developing countries it may come from mobile phone usage data. Sometimes consumers contribute additional data which can be taken into account.

Internet of Things

The Internet of Things, connected smart devices that interact with each other and us while collecting all kinds of data, is expanding (from 2 billion devices in 2006 to a projected 200 billion by 2020) and is one of the primary drivers for the data and analytics explosion

Proliferation of data and analytics

Trend

Data is proliferating and becoming cheaper to store, manage and analyse for a wider range of businesses. Businesses need to understand the many data sources available to them in order to improve their decision-making.

In a world where cybercrime is increasing, there is much greater scrutiny of data protection and as data custodians, businesses have a responsibility to safeguard consumer privacy.

Our response

We continuously extend and deepen our datasets to keep them as fresh, comprehensive and as accurate as possible.

We invest in technology to automate many cumbersome processes, delivering innovations that speed up previously slow or offline processes.

Information security is vitally important to us. We invest in a multi-layered and extensive information security programme to manage and protect against cyber security risks.

Automation and technology

Trend

Artificial intelligence and process automation offer extraordinary opportunities for businesses across all industries to operate more efficiently and secure productivity gains.

New technologies are revolutionising industries and driving businesses to invest to ensure they remain competitive.

Our response

Investment in the best technology is essential to maintain our competitive advantage. Across Experian, we use it to improve productivity and reduce costs, so we can redirect funds to new opportunities.

Technology enables us to link Experian and third-party data assets in order to create innovative products. We also invest widely in emerging technologies to build and bring new products to market quickly.

Automation

- Almost half of paid activities in the global economy could be automated with existing technology
- Automation could increase global productivity growth by 0.8% per annum to 1.4%
- This will likely drive global GDP growth
- Data and analytics are at the heart of the automation revolution

Regulatory environment

Trend

Regulators are becoming more active in protecting consumer data and privacy rights and there are now significant financial and reputational consequences for non-compliance.

We can help our clients and consumers in this more demanding environment.

Regulators are opening up banking and other data-rich industries, encouraging consumers to ensure that they get the best possible deal.

Our response

We work with regulators to comply with new and evolving regulations. We also engage in public debate to ensure policy-makers take the views of our industry into account.

We develop new services to help our clients remain compliant with regulations that affect them, for example, helping clients with their datasets for statutory reporting and GDPR processes.

We develop new technologies that consumers can use to find the right deal for them, through comparison sites and other services.

Making lending easier and affordable

with Experian's Open Banking products and services

"People have more control over their data when applying for credit, so they get the decisions that are right for them."

Peter Holford
Head of Open Banking and Affordability, Experian UK and Ireland

It's not easy to get a loan

It can be a challenge to obtain credit and your ability to afford it can shift over time as your individual circumstances change. Applying can involve filling in lengthy forms and sharing of pdfs or printed copies of bank statements. Many people have found themselves excluded from accessing credit because they have a limited credit history; others find it hard to service the debt they do have. To address these issues we have used our technology and data expertise to find a better way.

Opening the door to credit

You can now consent to let your UK bank* share your bank account data with other credit providers. This data includes what you earn, how much you spend and how much money you have left over – helping you to prove what you can afford, like a new credit card.

Experian, as an FCA authorised Account Information Service Provider (AISP) of Open Banking services, is pivotal in this process. We are the connection between you, your bank and the new credit provider. We have developed powerful technologies to drive the secure exchange of your data and streamline the whole credit application process in which you can simply:

1. Consent to share your data on the new credit provider's app
With our Affordability Check application running the whole process.

2. Select your bank and enter your login details
Your identity and bank account ownership is verified by us.

3. Select your accounts and submit
Your bank sends us a security token to access your data.

4. Wait about 10-20 seconds
While Verdus (our secure data hub) connects with the banks and securely sources and aggregates your data (which is fully encrypted – in transit and at rest) and Trusso (our AI-powered categorisation engine) sorts and classifies 12 months of your account data in under a second. Verdus sends this data, plus your credit score, to your new credit provider. They interpret this information and make a credit decision.

5. You receive the credit decision

This is a transformation for consumers and the lending industry

For consumers:

- Lending is faster, simpler and more convenient – taking minutes not days or weeks
- There is wider choice – with previously excluded products and services now available
- Lower risk of indebtedness – thanks to more informed choices about affordability.

For businesses:

- Operational efficiency is improved and time to onboard a customer is reduced by >50%, cutting costs and providing customers with a better experience
- Affordability can be measured more accurately, delivering better customer insights, leading to better credit decisions and reduced lending risk
- Regulatory requirements are met.

* Enabled by new Open Banking regulations in the UK.

Strategic focus areas:

- Make credit and lending simpler and faster for consumers and businesses
- Empower consumers to control their data and improve their financial lives
- Help businesses verify consumer identity
- Remove complexity and increase transparency in underserved verticals
- Enable businesses to find, understand and connect with audiences

Understanding our business model

How we help

We believe data can create a better tomorrow for everyone, transforming lives and societies.

We play a key role in making it easier for consumers and businesses to interact. We help businesses to become more efficient, lower their costs and to deliver services to consumers with greater speed and convenience. We make credit lending simpler, faster and more effective. Above all, we help people and organisations meet challenges and achieve their ambitions.

Our structure and markets

We operate across four regions with offices in 44 countries. Our regions are North America, Latin America, UK and Ireland, and EMEA/Asia Pacific. Our 17,200 employees serve consumers and clients through two main business activities: Business-to-Business and Consumer Services. Business-to-Business comprises two sub-sections – Data and Decisioning. Our largest and longest-established markets are the USA, Brazil and the UK, but we are expanding our presence rapidly, widening access to credit globally and serving more consumers.

See page 21 for more on our business activities

What makes us different

We put consumers at the heart of what we do

Our approach places consumers at the heart of what we do. We are custodians of data on millions of consumers who rely on us to keep their data safe. We are also pioneering new ways for consumers to have greater control over their data and credit scores.

We invest to stay ahead

Every year as part of our strategy we take steps to broaden and deepen our data assets, to bring the most advanced analytics and decisioning tools to market and to introduce compelling new offers to consumers. To do this, we invest heavily in our people and in sustaining a high-performance culture.

We take a One Experian approach

To create better, faster and more innovative services for our clients and consumers we take a 'One Experian' approach. This entails sharing knowledge, best practice, talent and technology across our organisation while also integrating the best, most comprehensive data with advanced analytics, decisioning workflows and cutting-edge technology.

Our reach is global

We operate in 44 countries and have DataLabs in each of our four regions. We have created a cross-regional approach that supports and serves local and global clients. We collaborate and share best practice across our regions. This makes it easier for us to develop and test new products in one market and transfer them into other markets in a systematic and repeatable way, while ensuring we meet local market needs.

Our culture is innovative

Innovation has always been a major differentiator for us and it drives our long-term success. We continuously innovate in anticipation of ever-changing market trends and to meet client and consumer expectations. We hardwire innovation into our culture by investing in our employees, DataLabs and new technologies. Recent investments in innovation, technology and the way we work have accelerated the pace at which we innovate.

Robust financial performance and reinvestment

Our ability to deliver strong growth and our disciplined capital allocation process provide us with opportunities to make choices about how and where we invest, be it in our people, in training, in driving innovation or technology. We have the flexibility to invest organically, through acquisitions and to provide capital returns to our shareholders. This flexibility helps to create long-term value for our shareholders.

Understanding our business model continued

Adding value across digital journeys

We are transforming digital experiences for everyone: businesses and consumers. We help to link consumers and lenders, automate and improve processes, and power new opportunities.

Businesses

Businesses and other organisations use our data and decisioning tools throughout the lifecycle of their interactions with customers.

Initiate	Assess	Enter	Manage	Enhance
"Find our future customers and the best channels to reach them"	"Assess creditworthiness using non-traditional data"	"Create a frictionless transaction experience for consumers"	"Reduce the risk of fraud across my product portfolio"	"Access highly relevant insights into new and existing customers from my data"
"Obtain the financing I need more easily and cheaply"	"Navigate the complexity of major financial decisions"	"Selectively permission access to my data and identity"	"Have visibility into how my data is used and where it's available"	"Achieve my investment goals"

Consumers

Individuals use our data and services to get more advantageous access to credit and other services. We help them improve their financial lives.

Adding value across our business activities

Business-to-Business Data

We provide businesses with information to help them manage the risks associated with extending credit. We build and manage large and comprehensive databases containing the credit activity and repayment histories of millions of consumers and businesses. In total, Data operates 23 consumer bureaux and 11 business information bureaux. We collect, sort and aggregate data from thousands of sources, then transform it into a range of information services, including the assessment of the likelihood of repayment of current and future credit obligations. This information is used by businesses including banks, automotive dealers, mobile phone operators and retailers to make decisions about lending and the terms on which to lend. They can quickly assess whether customers have applied for suitable loans that they can afford to repay. By providing lenders with unbiased information about individual consumers, we help support impartial credit decisions and broader access to credit. Extensive marketing data related to the lifestyles and behaviours of consumers also helps businesses to better understand, reach and serve their customers, with tailored products.

Revenue generation

- Primarily transactional, pricing is mainly on a volume-tiered basis

Market position

- Number one or number two in our key markets
- Main competitors: Equifax, TransUnion, Dun & Bradstreet, LiveRamp, Epsilon

Business-to-Business Decisioning

We utilise the depth and breadth of our credit information databases as well as other information, such as clients' own data, to provide organisations with predictive tools and sophisticated software that helps them manage and automate large volumes of decisions and processes. These services help our clients improve the consistency and quality of their business decisions in areas such as credit risk, fraud prevention, customer service, account processing and account management. Our expertise in analytics and software is applied across many industries, including US healthcare. In the USA, we provide more than 60% of all hospitals and thousands of physician practices, laboratories and pharmacies, with revenue cycle management, identity management, patient engagement, care management and other solutions.

Revenue generation

- Software and system sales:
  - consultancy and implementation fees
  - recurring licence fees
  - transactional charges
- Credit scores are sold on a transactional, volume-tiered basis

Market position

- Market-leading provider of business solutions in key markets except for the USA where FICO is the market leader
- Main competitors: FICO, IBM, SAS, Change Healthcare

Consumer Services

We help consumers take control of their credit to improve the way they manage their financial position, access credit offers and protect themselves from identity fraud. We provide credit monitoring and other information services directly to millions of consumers in the USA, the UK, Brazil, South Africa, Colombia and India. Our services for consumers may include free access to their Experian credit report and score and helpful online tools and apps to clarify their financial position and improve their resilience to identity theft. In the USA we also enable them to contribute their own data, such as utility and telecommunications payments, to their file, to help them improve their credit score. We believe that the more people learn and understand about credit, the more power they have to better manage it and become eligible for better credit deals. In markets including the USA, Brazil and UK, we offer comparison services, which show consumers a choice of relevant credit card, personal loan, mortgage and other deals based on their individual credit information. In Brazil, our recovery portal, Limpa Nome, enables consumers to see all their own past-due debts in one place and to negotiate online with lenders for more achievable repayment plans.

Revenue generation

- Monthly subscription and one-off transaction fees
- Referral fees for credit products
- White label partnerships

Market position

- We are one of the market leaders in the USA and the UK
- Main competitors: Credit Karma, Equifax, FICO, TransUnion and ClearScore

Understanding our business model continued

Our inputs – Our key resources and relationships

Why they're important	How we manage them	Key changes this year
Our people People are at the heart of who we are. Smart and hard-working, our people collaborate together to build on our success. They are united in their passion for breaking new ground and extending the possible. Our people strive to delight our clients. Their transformative thinking and collaboration drive innovation and best practice. Ultimately, they act as data guardians.	We have a unique way of working – 'The Experian Way'. It informs how our people behave and shapes our culture. We enable our people to thrive in a high-performance culture, through creativity and collaboration. We employ talented people, drawing our talent from many backgrounds to ensure our workforce is diverse and reflects the communities we serve. Read more on page 32	– We are investing in new programmes, including high-performance training master classes to help our people fulfil their potential and foster a high-performance culture within their teams – Dedicated programmes to support employees' physical and mental well-being – New skills training, including Lean and Agile ways of working, and webinars on client challenges and new products
Technology Technology drives our business. It enables us to bring innovative products to market quickly and to scale innovation rapidly across our regions. We use technology to deliver data and analytical tools to clients, helping them to analyse data in real time, to refine their lending strategies and to help them make decisions quickly about who to do business with and on what terms. Technology is crucial in protecting our business, simplifying the way we operate and improving our effectiveness.	Our dedicated technology strategy is implemented by a team of over 3,000 software developers and 1,500 infrastructure specialists. We continually invest in the latest cutting-edge technology to future-proof our infrastructure and use open-source analytics engines for our big data processing. We work using standard development platforms to ensure consistent development across Experian, so clients can easily connect different systems and databases.	– Faster product innovation and deployment – Use of robotics to increase productivity – Embedding machine learning into more tools – Continued transformation of customer-facing technology – Increasing use of hybrid-cloud platforms – Continued modernisation of our bureaux using our 'Data Fabric' – a single, global way of consuming data
Data Data is the foundation of our business. The information we derive from good data helps our clients make smarter decisions. Our data and analytics help solve many client challenges – for example, assessing an individual's capacity to repay a loan, whether or not a car has been involved in an accident, or eligibility for healthcare services in the USA.	We hold and manage large datasets. These include credit history and repayment data on 1.2 billion people and 145 million businesses, as well as marketing information on markets containing 2.8 billion people. We hold over 102 petabytes of data for use in decisioning processes and have processing power of 35,000 million instructions per second. We continually invest to increase the breadth, depth and accuracy of our data.	– Acquisition of new alternative datasets – Acquisition of a new bureau in Africa (completed April 2019) – Broadening our access into payment and transactional data – Data assets directly sourced and permissioned from consumers – Creation of data marketplaces in Asia Pacific which use new kinds of data to widen access to credit at affordable rates
Security The security and integrity of our data is a top priority for us. As a trusted steward of sensitive consumer and business data, we manage some of the largest databases in the world, and all our products and services are data dependent or data related.	We operate within a strict data security and risk management framework. This comprises policies, processes and controls on data use, as well as continuous monitoring and testing. As part of its oversight role, the Board's Audit Committee has a constant focus on risk, including cyber security. We continually assess our data security strategy to help us anticipate new threats and develop responses as necessary.	We continue to further: – improve our cyber security strategy, controls and processes – drive a SecurityFirst culture, which makes every employee responsible for security – embed security in each stage of the software development lifecycle

Our outputs – The value we create for our stakeholders

Value created	Stakeholder needs	How we engage
Our clients and consumers We empower millions of people and thousands of businesses to use their data, seize opportunities and take control. We help them by turning data from many sources into useful information they can use, via analytics and software.	**Our clients' needs include:** – Better serving their customers – Data accuracy – Meeting regulatory requirements **Our clients' and consumers' needs include:** – Consumer privacy – Data security – Access to credit and other services – Fraud and identity theft prevention	We put consumers and our clients at the heart of what we do. We partner with our clients to understand their challenges and develop new products that help them solve problems. We welcome their open, honest feedback about our products and service. We provide consumers with tools and free Experian credit reports online. We also help them by creating useful new products, making it easy to reach us through our call centres and responding to their concerns about a range of issues, for example child identity fraud.
Our communities We serve communities in several ways. We help people access credit and other financial services, which they can use to improve their lives. We support businesses to prosper and enhance their potential to employ more people. We enable the transparent flow of data essential to the functioning of modern economies.	– Business success, employment and job creation – Access to public services – Long-term asset creation in communities – Inclusion in mainstream financial services and products – Building sustainable economies Read more on page 29	Our ambition is to use Experian's resources, people, information and skills to support communities worldwide in innovative and effective ways. This can happen in many ways, including the development of social innovation products, employee volunteering and support for community groups and charities.
Our people Our work carries great responsibility and how we work is as important as what we do. We provide employees with unlimited opportunities for growth, as part of a bright, ambitious business that makes a positive impact globally.	– Feeling valued for the work they do – Feeling like they make a difference to society – Contributing to an engaging, positive culture – Training and learning – Career progression Read more on page 32	We listen to our people's views, engender a positive empowering culture, and do all we can to make Experian a great place to work. We encourage employees to use their skills to do interesting work. We give them the best tools to work effectively, learn new skills and progress their careers. We celebrate great performance and ensure employees feel nurtured and supported throughout their careers with Experian.
Our suppliers Many of our data contributors are also our clients. They supply us with data through a give-to-get model. Our ability to combine, clean, sort and aggregate data from thousands of data contributors creates a more complete picture of consumer or business interactions across a market.	– Long-term, collaborative relationships – Business opportunities – Mitigating market and financial risks – Meeting regulatory requirements	We create closer, more collaborative relationships with key suppliers to ensure streamlined processes, performance, segmentation and qualification. This helps to uncover and realise new value, increase savings and reduce risks of failure and cost.
Our shareholders We aim to create long-term shareholder value, by investing to grow our position in our chosen markets, while driving strong financial performance.	– Understanding our financial results and strategic programme – Analysing structural market trends – Generating investment returns through share price appreciation, dividends or share buybacks – Understanding management and incentive structures	We communicate with and build relationships with shareholders through our investor relations programme. Our quarterly financial updates inform our shareholders about financial and strategic progress, while face-to-face meetings and dedicated teach-ins educate them about our products and service. Biennial investor audits provide us with feedback and enable us to take corrective action if necessary.

Our strategy

Focused on a changing world

We've developed ambitious plans to strengthen our competitive position, seize new opportunities and deliver our growth aspirations. As more offline journeys move online, the need for our data, analytics and software capabilities grows.

Overarching strategic imperatives:

- Broaden and deepen our data assets
- Extend our lead in analytics and software solutions
- Exploit the breadth of our capabilities (One Experian)
- Accelerate the pace of innovation
- Scale in targeted verticals and geographies
- Transform engagement with consumers

Specific strategic focus areas:

Make credit and lending simpler and faster for consumers and businesses

Increasingly, people expect seamless online experiences, including their financial journeys. We are investing in new data and advanced analytics capabilities, enabling our clients to make better and faster decisions. Reducing friction in the lending process improves the credit application experience for consumers and businesses.

Empower consumers to control their data and improve their financial lives

Our vision is to become consumers' first choice for managing their financial lives. We will deepen our relationship with consumers to increase financial transparency and help them make better decisions. As regulatory, technological and market trends all advance open data practices, our solutions will give consumers greater understanding of, and power over, their financial lives.

Influential market trends:

- Automation and technology
- Changing consumer digital behaviour
- Proliferation of data and analytics
- Changing consumer digital behaviour
- Population and wealth
- Regulatory environment

Read more on page 15

2.5 quintillion

Bytes of data are created every day and this will only increase with the growth of the Internet of Things

(Quintillion is 10 to the power of 18)

Help businesses verify consumer identity

Consumers are increasingly aware of the importance of protecting their data footprints. We give businesses with direct consumer relationships the means to verify consumers' identity. We will help protect their customers against bad actors and help prevent the use of their data for malicious purposes.

Remove complexity and increase transparency in underserved verticals

Our data and analytics capabilities are applicable to a wide range of clients and are scalable across different markets. Many vertical markets are only now starting to realise the benefits our solutions can bring, and are ripe for transformation. By investing in these markets, we will extend our reach and drive the next phase of our growth.

Enable businesses to find, understand and connect with audiences

Businesses need to understand their customers better and communicate with them more effectively. They need to be able to identify audience groups, target them with relevant messages and offers and to manage the costs of doing so as effectively as possible. We can provide this insight by combining and enriching datasets and helping businesses to identify customer groupings in the digital sphere. We will extend our leading market position by investing in systems that enable our clients to assess data in real time, build their own models, conduct scenario analysis and make more accurate predictions.

Influential market trends:

- Automation and technology
- Proliferation of data and analytics
- Regulatory environment

- Population and wealth
- Proliferation of data and analytics
- Regulatory environment

- Automation and technology
- Changing consumer digital behaviour
- Population and wealth

Read more on page 15

Our strategy continued

What we've achieved this year

Experian Boost

This year we launched Experian Boost, a new platform through which US consumers can give us permission to connect to their online bank accounts, identify and access utility and telecommunications payments, then add these to their Experian credit file. This can boost their credit scores and it allows lenders to make more informed decisions when examining prospective borrowers. The data is compiled in partnership with Finicity Corporation (Finicity), a leading provider of real-time financial data aggregation and insights. Experian has a 19% investment in Finicity. After the consumer verifies the data and confirms they want it added to their Experian credit file, an updated FICO® Score 8 is delivered in real time.

See more on page 43

Compuscan

In December 2018, we announced the intention to acquire Compuscan, one of the leading credit bureaux and information services businesses in South Africa. As well as deepening our bureau data assets, Compuscan has particular strength in analytics and credit scores, which is highly complementary to our strength in decisioning software. The acquisition puts us in a better position to leverage our continuing investment in innovation to bring the latest and most competitive credit assessment tools to the sub-Saharan African market. Our combined customer base will also be highly complementary: Experian's customers are mainly large financial institutions and telecommunications operators, while Compuscan is stronger in the dynamic microlending space as well as in the retail and insurance sectors. This acquisition completed in April 2019.

See more on page 60

Ascend Platform

After the successful launch of our Ascend Analytical Sandbox in FY18, this year we launched a number of other modules on the Ascend platform. This includes our first contract for a combined Ascend-PowerCurve solution. This allows our clients to seamlessly implement strategies designed in Ascend into the PowerCurve decisioning engine, where they can be analysed and changed in real time. We also launched and rolled out our Ascend Mid-Market Sandbox, which is a version of the Ascend Sandbox specifically aimed at mid-market financial institutions.

See more on page 38

Universal Identity Manager (Healthcare)

We have launched the Universal Identity Manager (UIM), into the US healthcare market. This improves the safety, speed, quality and cost of care. Drawing on more than 40 years' experience of managing identifiers across various industries, we have developed the UIM to create a single view of the same patient. The UIM accurately identifies patients and matches records within and across disparate healthcare organisations (pharmacy, laboratory, payer, and provider). This facilitates information exchange within and across the healthcare ecosystem, creating a unique Universal Patient Identifier.

See more on page 7

Experian Marketplaces

We have made investments in a number of digital marketplaces, signing commercial agreements to partner for data and analytics. We invested in BankBazaar (India) in FY18 and in C88 (Indonesia and the Philippines) and Jirnexu (Malaysia) this year. These companies help to digitise consumer lending applications and make the process more efficient. Using PowerCurve and data from partners in the region, we are helping provide greater access to finance.

See more on page 14

Open Banking

This year we launched Verdus, a platform for building fully digital financial products and services. We combine Verdus with Trusso, another Experian capability which uses an artificial intelligence engine to categorise bank transactions in real time. These new products help our clients to offer their customers services made possible by open data regulation. They also underpin our ambition to digitise the process of applying for a mortgage.

See more on page 18

Strategic focus areas:

- Make credit and lending simpler and faster for consumers and businesses
- Empower consumers to control their data and improve their financial lives
- Help businesses verify consumer identity
- Remove complexity and increase transparency in underserved verticals
- Enable businesses to find, understand and connect with audiences

Our future plans

Continue to invest in information security

Information security will continue to be of the utmost strategic importance to us. We will continue to enhance and harden our information security environment while promoting a strong culture of cyber security awareness within Experian.

Ascend vertical expansion

After the success of our Ascend Analytical Sandbox, we plan to add a number of new modules to Ascend, expanding it across different verticals. These will include new modules for the automotive industry, for the mortgage industry, as well as for account management. These modules will give analysts in these industries the power to perform analytics on huge datasets quickly by combining our data assets with client data to give them a better understanding of their potential market.

Digitise more financial journeys for consumers

We are developing plans to transform the process of applying for financial products. An example of this is mortgages; today this is an arduous, manual and paper-based process and our aim is to turn it into a slick digital journey. We will accomplish this through our open data platforms (Verdus and Trusso) as well as our application programming interfaces (APIs) and authentication services.

Data exchange

We have created a dedicated team of innovation intrapreneurs with just one objective – to develop new propositions and business models using new sources of data. This will enable us to build propositions in new geographies and verticals, while also enhancing assets in more developed markets. We have already signed a number of agreements with organisations to take part in a data exchange, which we intend to expand significantly over the coming years.

Extend consumer services in other key markets

This year we increased our free membership base in Brazil to more than 32m consumers. We plan to develop this proposition further and to develop our nascent services for consumers in Colombia, India, Australia, and South Africa. We now power a number of marketplaces in Southeast Asia and will continue expanding our services across this region.

Experian One

Towards the end of this financial year, we launched Experian One, a SaaS-enabled version of our PowerCurve suite. It will allow us to support smaller organisations with our decisioning software, because Experian One is easier, quicker and more cost effective to install. We plan to roll it out across new markets and verticals next year, significantly expanding our addressable market in decisioning.

Strategic focus areas:

- Make credit and lending simpler and faster for consumers and businesses
- Empower consumers to control their data and improve their financial lives
- Help businesses verify consumer identity
- Remove complexity and increase transparency in underserved verticals
- Enable businesses to find, understand and connect with audiences

Our people and corporate responsibility

Creating shared value

We are creating shared value for our business and society by powering opportunities, inspiring our people and working with integrity.

By creating a better tomorrow for our clients, consumers, people and communities, we are also creating sustainable value for our business to help us grow and thrive.

Progress in FY19

Powering opportunities

See more on pages 29 to 30

Delivering our purpose	Our social innovation products have reached 20 million people and generated an additional US$17.4m for our business since 2013.
	Our employees volunteered almost 50,000 hours in and outside of work time to support their communities.
Putting consumers in control	Experian MicroAnalytics has used alternative data to extend more than five billion credit offers in emerging markets since 2010.
	We launched an app in South Africa to improve financial literacy and assist people without a bank account build a credit profile.
Building people's financial confidence	Our Serasa Experian Itinerant outreach programme reached more than 100,000 people in 44 cities across Brazil since launch in 2018.
	Since 2015, we have reached more than 140,000 people aged over 55 in the UK through our programmes to help them tackle fraud.

Inspiring our people

See more on pages 32 to 35

Delivering growth through our people	We achieved an 86% participation rate on the annual employee survey. The results highlighted that 89% of our people are willing to work beyond what is required in their job in order to help Experian succeed (14% above the high-performing norm).[1]
Elevating performance	Our Ambition Programme was launched in November 2018 and will equip 2,000 of our leaders with the skills they need to maximise performance.
Valuing diversity and inclusion	We have established Inclusion Councils in every region, and each one has published a report sharing highlights of their activities.
	86% of our people told us they believe that Experian is committed to creating a diverse and inclusive workplace.
Developing talent	We have developed innovative predictive analytics capabilities including an Attrition Risk Model, which has helped us reduce attrition globally by 3%.
	Our talent acquisition and onboarding approach has increased our social media profile to reach over 500,000 followers globally.

Working with integrity

See more on pages 35 to 36

Upholding high ethical standards	Our employees complete mandatory annual training covering our Code of Conduct and Anti-Corruption Frameworks.
Respecting human rights	Experian joined the Slave-Free Alliance.
Safeguarding data and privacy	We continued to systematically educate our people on how to handle sensitive data through our SecurityFirst programme.
Protecting the environment	This year, we cut the carbon intensity of our business by 11% to 9.8 kilogrammes of CO_2e per US$1,000 of revenue.
	This year, our carbon footprint totalled 47,700 tonnes of CO_2e, a reduction of 6% year-on-year.

1 KornFerry Group's Global High Performing Companies Norm (HPN) is a stretch benchmark based on both financial results over a five-year period and above-average Engagement and Enablement scores. KornFerry Group's General Industry Norm (GIN) is a benchmark of the average score across all sectors/geographies globally.

Powering opportunities

Focusing on:
- Delivering our purpose
- Putting consumers in control
- Building people's financial confidence

Delivering our purpose

By helping people and businesses make the most of their data, we are creating value for them and for Experian.

We are delivering our purpose through our core business, our social innovation products and our community investment programme – and we are using our corporate responsibility strategy to connect and leverage our capabilities and expertise with social causes to make an even bigger difference.

Our core products and services enable lenders to make informed decisions faster and empower consumers to take control of their financial profiles. We are also investing in new solutions through our Social Innovation programme. These are designed to offer societal benefits, while generating new revenue streams for our business. Since 2013, our social innovation solutions have reached 20m people and generated more than US$17m in revenue.

Through our Community Investment programme, we invest in communities, partner with others to create a bigger impact, and encourage employees to donate their time and expertise. We focus on causes relevant to our business, such as financial education and financial access. This year, our direct community investment totalled US$10.7m, and Experian employees volunteered almost 50,000 hours of their time in and outside working hours.

Putting consumers in control

We're increasingly using alternative data in both our core business and our social innovation solutions to help people make the most of their data to build their financial profiles.

Rental payment information now appears on the Experian credit reports of more than 1.2m tenants across the UK as part of our Rental Exchange social innovation initiative. By enabling lenders to take data on regular rent payments into account, we estimate that 79% of tenants in the UK may see a noticeable improvement in their credit score[1].

Consumers can also build up their own financial profiles through solutions such as Experian Boost, recently launched in the USA, and our free online service Cadastro Positivo in Brazil.

In emerging markets, where more people have access to mobile phones than banking or credit, we are using data on mobile use to help consumers strengthen their financial profiles. Experian MicroAnalytics has used this data to extend more than five billion credit offers in emerging markets since 2010.

Mobile data is also central to two of our new social innovation products. In South Africa, we are piloting an app designed to enhance financial profiles and financial education. In Southeast Asia, we are developing a new platform that will use both mobile data and geolocation data, to help people gain access to credit.

By enabling people to build their own profiles, we are helping them through life's biggest moments, from finding a new home to starting a business.

Getting a mortgage can be complex and time-consuming, but it is even more challenging without a credit history. In Colombia, we have developed a tool, through our Social Innovation programme, to help people without bank accounts build their credit history and access credit (including government subsidies) on mortgages to help them buy their homes.

79%

of tenants in the UK may see a noticeable improvement in their credit score[1]

US$11m

Direct community investment this year

1 Source: www.experianplc.com/media/news/2018/rental-payments-recognised-in-credit-reports-for-the-first-time

Our people and corporate responsibility continued

In the UK, we have developed a solution that has the potential to help nearly two million vulnerable people living in social housing. We have used the power of data to help London and Quadrant, a housing association that manages 60,000 properties, streamline the application process to help people get into social housing faster and offer more regular assessments and support. This has reduced the number of court evictions for non-payment of rent by 45%*.

In the USA, paying for healthcare is often a serious concern and can lead to unmanageable debts. Experian Health offers a range of products to make this easier, such as Patient Estimates, which helped 14m patients estimate the potential cost of treatment this year. We have also developed social innovation solutions to provide additional support. Our Payment Plan Advisor provides automated payment plans based on patients' financial needs and the provider's payment terms. We are currently developing a new app to help people manage medical debt and gain early access to support.

Accessing credit can be critical to start and grow a business, but it can be difficult for small businesses to demonstrate a credit history. We have launched a new social innovation solution that uses a combination of alternative data sources, including social media use, to improve the prediction of commercial credit risk for small businesses. It has already reached 430,000 entrepreneurs in the USA.

We are also continuing to support micro-entrepreneurs through financial education and platforms to help them build their financial profiles in countries such as India and Brazil.

Building people's financial confidence

Consumers can get free advice and guidance on managing their financial profiles through our social media channels, including AskExperian and #CreditChat. We raise consumer awareness of the importance of managing financial profiles and show how we can assist them, through marketing campaigns, such as The Invisibles and My Data Self in the UK.

We help people understand and better manage their financial profile through our Consumer Services, such as CreditTracker in the USA and CreditExpert in the UK. In Brazil, Serasa Experian Free Score enables consumers to access their credit profiles and scores, and suggests ways to improve them.

Free Score is one of the services we brought to consumers in remote regions of Brazil, using a branded boat and truck, as part of our Serasa Experian Itinerant outreach programme. Since launch in 2018 we have reached over 100,000 people in 44 cities across the country. Many people were dealing with unmanageable debts and we were able to connect them with Limpa Nome, our online debt renegotiation tool, to help them renegotiate and repay these. This year, Limpa Nome helped over 600,000 individuals renegotiate their debts. Since we introduced our new platform in September 2018, we have already renegotiated debts totalling US$73m.

As part of our Corporate Responsibility programme, Experian employees volunteer their time and expertise to support our financial education programmes all around the world. In Hong Kong and Singapore, our volunteers helped vulnerable migrant domestic workers learn about credit and how to manage their finances and identify fraud.

In the UK, we have extended the reach of our programmes to help people over 55 identify and tackle fraud. Since 2015, these programmes have supported over 140,000 people. Fraudsters are also increasingly targeting children for identity theft and we are helping parents guard against this through our new Child ID Scan service in the USA.

100,000

People reached through our Serasa Experian Itinerant outreach programme

Community Investment[1]

Year ended 31 March	2019 US$'000	2018 US$'000	2017 US$'000
Funds from Experian plc	**3,391**	2,955	3,359
Financial donations and investments from Experian subsidiaries	**3,651**	2,780	2,237
Employee time volunteered	**1,528**	1,524	1,243
Gifts in kind	**712**	711	648
Management costs	**1,414**	1,401	907
Total from Experian	**10,696**	9,371	8,394
As % of Benchmark PBT	**0.89%**	0.81%[2]	0.75%
Employee fundraising	**979**	986	656
Value of out-of-work volunteering enabled by Experian	**359**	114	229
Total value of all giving	**12,034**	10,471	9,279
As % of Benchmark PBT	**1.00%**	0.90%[2]	0.83%

* Information provided by our partners London and Quadrant (L&Q).

1 For more information on how these figures are calculated, see the 2019 Reporting Principles and Methodology at www.experianplc.com/responsibility/data-and-assurance.

2 The FY18 metrics based on Benchmark PBT have been restated following the adoption of IFRS 15. See note 3 to the Group financial statements for further detail.

Empowering unbanked consumers in South Africa

This year, we've launched our most ambitious social innovation solution yet: GeleZAR, an app that helps people in South Africa improve their financial education and build their credit profiles at the same time, even if they don't have a bank account or traditional credit history.

Millions of people across South Africa don't have access to basic financial services or the credit they need to grow their businesses and fulfil their dreams. Three quarters of credit applications from small, micro and medium-sized enterprises are rejected with only 2% of those enterprises able to access bank loans. This isn't just holding them back, it's also preventing growth of the economy.

Experian's culture of innovation came to the fore as we brought together a cross-functional team of experts from across the globe for a three-day workshop to explore how we could apply our data and expertise to help tackle this issue.

Our research found that underbanked people across sub-Saharan Africa struggle to get access to credit because the files lenders have on them are too thin or even non-existent. A lack of financial education is also creating a barrier to prosperity as entrepreneurs don't have the knowledge to manage and grow their businesses.

35,000
handsets with GeleZAR installed already

With the price of smartphones falling and more and more South Africans using mobile phones, it was clear that the way to reach them was through their phones. This soon turned into the idea for an app.

Next, we needed to find the right partners to help us turn our idea into reality. We worked with developers and a cartoonist to create an app that uses vibrant comic-style cartoon stories to help people learn about saving, budgeting, credit reports, debt counselling and running a small business in a fun and accessible way. The result is the GeleZAR app, which is local slang for 'learning about money'.

People can also use the app to check their credit scores for free, and once they have completed the training on credit reports, they are given the option to activate Experian's Credit Assistant on their phone. With their consent, it collects data on the way they use their mobile phone, to give lenders a fuller picture of their spending habits. Using this alternative data to build their financial profiles is helping underbanked people access the credit they need.

Throughout the development process, entrepreneurs and consumers in South African townships got the chance to try out the app at the business hubs we support through our community investment programme. Their feedback helped us make sure it would resonate with the people we wanted to reach.

In early 2019, we teamed up with one of South Africa's biggest retailers of low-cost smartphones to trial GeleZAR on 35,000 handsets – with a view to installing it on millions more in future. More than 2,000 people have already bought phones with the app pre-installed, ready to help them learn about money and transform their lives.

Our people and corporate responsibility continued

Inspiring our people

Focusing on:
- Delivering growth through our people
- Elevating performance
- Valuing diversity and inclusion
- Developing talent

Delivering growth through our people

We are passionate about delivering premium growth in our business and we are making it happen by creating a high-performance culture in which a talented, engaged, diverse and inclusive workforce can thrive. This year our people priorities were:

- evolving agile reward and talent solutions to support our ever-changing workforce
- transforming our acquisition and onboarding proposition worldwide to support our talent and succession pipelines
- enabling a high-performance culture and environment by enhancing our global leadership capability
- building an inclusive culture, by valuing diversity at every stage of the employee lifecycle
- using predictive analytics, insights and technology to underpin each priority.

This year we continued evolving our employee listening strategy. It provided vital insights into how we can make Experian an even better place to work. This year 86% of our people shared their views in our Annual People Survey and, once again, the results were encouraging. Year-on-year, our overall engagement remains broadly unchanged at 75%. While 79% of our people now tell us our strategy and goals are the right ones (2% above the HPN[1]) 86% tell us they understand how they can personally help us achieve our goals (2% above the HPN[1]). We were pleased to see a 6% increase in the number of our people who believe action has been taken based on the results of the last survey.

Elevating performance

Our drive to create a high-performance culture gathered momentum this year. Our primary focus was on ensuring our leaders are well equipped to get the very best performance out of their people.

Through the roll-out of our High-Performance Masterclass programmes over a two-year period including the Ambition Programme which launched in November 2018, we are equipping 2,000 of our leaders with the skills they need to maximise performance.

The programmes comprise dynamic face-to-face events, team collaboration sessions, leading-edge online material and use of a real-time goal management app. Our leaders are now well placed to create systems and structures that drive high individual accountability as well as the achievement of stretching goals across their teams. The advocacy scores for all face-to-face events exceeded nine out of ten across all regions.

We have reviewed our performance management process and The Experian Way (our globally consistent behaviours) to ensure they align fully with our high-performance principles. We now take an agile approach to performance management, with leaders and teams assessing their performance on an ongoing basis. We have also reinvigorated the language used to express The Experian Way, in order to incorporate the principles of high performance and the execution of innovative and competitive ways of working. We have done this without losing our passion for being a force for good in our local communities.

This year we also focused on ensuring our reward mechanisms include non-monetary elements such as tickets to a sporting event or a special day out with their family. This is in addition to operating our Global Recognition Plan which recognises employees for demonstrating the behaviours outlined in The Experian Way.

1 KornFerry Group's Global High Performing Companies Norm (HPN) is a stretch benchmark based on both financial results over a five-year period and above-average Engagement and Enablement scores.

The Experian Way

The Experian Way is a unique and consistent way of working globally. It informs how our people act and behave, which shapes our culture. It's defined across five key areas of strategic importance:

Delight customers
At Experian, whether your role brings you into contact with customers directly or not, all of us contribute to meeting customer needs. At the heart of what we do are the relationships we invest in and nurture.

Innovate to grow
At Experian, it's the responsibility of each one of us to find opportunities and improve the way we do things to help our business and our customers grow.

Collaborate to win
'One Experian' mindset – we work as one united team and use the combined strengths and capabilities of our people, products and services across teams, functions and regions. This translates into seamless experiences for our customers.

Safeguard our future
At Experian, each of us acts as a guardian for the protection of data, information, assets and our people to safeguard our future.

Value each other
We make Experian a great place to work. We treat each other with respect, trust and integrity.

While we are proud of our survey results we remain focused on continuous improvement. Consequently, we also worked hard to address the things that employees tell us they find more challenging about their roles within Experian. Our enablement score dropped by 3% from the last survey and we took the feedback we received seriously. This was mainly focused around systems, technology and internal processes. In response, we put in place rigorous action plans across all regions and functions to target root-cause solutions and interventions and we are already starting to see some improvements. For example, the introduction of a new digital and people-centred onboarding process in Asia Pacific has already helped to reduce the annual attrition rate there by 3.5%.

Valuing diversity and inclusion

Creating an inclusive workplace in which our people can bring their whole selves to work gives us a vibrant, engaged workforce and the platform to achieve our ambitious performance goals. 'Value each other' is a key pillar of The Experian Way; and by leveraging individual differences, we will drive competitive advantage through innovation and diversity of thinking. Harnessing the true value of every individual makes us a more powerful organisation.

This year, 86% of our people told us they believe that Experian is committed to creating a diverse and inclusive workplace (20% above the general industry norm[1]) and 83% told us they believe that their immediate manager values having individuals with diverse backgrounds and perspectives in the work group (11% above the general industry norm[1]).

Throughout FY19 we focused on creating an environment in which our people who are particularly passionate about the inclusion agenda, could get involved, by:

- **Establishing Inclusion Councils**: each region now has its own leadership body with representatives from various demographics, to drive the global agenda locally
- **Publishing regional Inclusion Reports**: a platform for each region to share the highlights of their inclusion activities
- **Sponsoring Employee Resource Groups and Clubs**: these include Veterans and Patriots, LGBTQ, People with Disability, Parental Network, Asian and African Americans, Hispanic and Latino
- **Supporting a regular programme of events:** at certain points of the year all our regions now celebrate specific events (International Women's Day, Pride, Black History Month, International Day of Persons with Disabilities and World Mental Health Day)

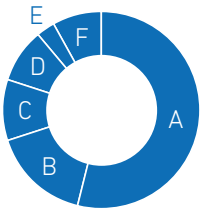
Globally, women hold 31% of our Senior Leadership positions. This year, we focused on a broad inclusion agenda to ensure we are making the most of everybody's unique contribution, but gender remains a priority for us. Our Women in Experian ambassador network has a designated leader in each region or function and our partnership with the Everywoman platform is now in its fourth year, with more than 1,300 people subscribing to regular news articles and bite-sized learning. Our Accelerated Development Programme (ADP) in Global Decision Analytics, designed to accelerate talented women at mid and lower tiers in the organisation, is now in its second year. In Asia Pacific we have launched our Women In Leadership #DiveIn (WILD) programme, taking 15 talented women through an immersive 12-month programme, including a three-day experiential adventure in Laos.

We attended a number of key events this year, including the Grace Hopper conference in the USA and the Women of Silicon Roundabout conference in the UK, which gave us access to over 4,000 candidates and around 500 women Science, Technology, Engineering, and Mathematics (STEM) graduates. In the USA, we were named The Top Workplace by the Orange County Register and rated a Top Employer in the UK, Spain, South Africa and Bulgaria. We were also rated as a Top 30 Employer For Working Families in the UK, where our decision to allow employees returning from family leave to work flexibly for their first 12 weeks back has been well received.

A video campaign called 'Humans of Experian' has encouraged people in all our regions to share their personal stories. The campaign has helped us all to learn more about each other and harness the power of diversity.

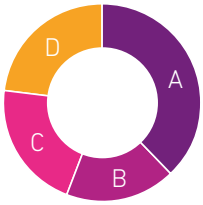
31%

Senior Leadership positions globally held by women



Global cost profile

		%
A	Labour	54
B	Data	16
C	Marketing	10
D	IT	9
E	Central activities	3
F	Other	8



Our people by region[2]

		Number	%
A	North America	**6,600**	38
B	Latin America	**3,100**	18
C	UK and Ireland	**3,600**	21
D	EMEA/Asia Pacific	**3,900**	23
	Total	**17,200**	

1 KornFerry Group's General Industry Norm (GIN) is a benchmark of the average score across all sectors/geographies globally.

2 Full-time equivalent employees as at 30 April 2019.

Our people and corporate responsibility continued

Developing talent

We are committed to developing talent and this year invested US$10.9m in learning and development. In our Annual People Survey, 72% of employees said we provide good opportunities for learning and development (4% above the HPN[1]) and 78% said that their immediate manager supports their development (12% above the HPN[1]).

Our suite of talent development programmes covers all levels of Experian. Through our CEO Forum and Experian Business Network, we more than doubled our promotion rates, with attrition rates of these cohorts also significantly below our average. We continued to support the movement of talent, with 143 international moves completed this year, up 30% from FY18. We also launched our careers platform, Stepping Stones, which offers a range of development experiences, to 2,000 employees in our Chile, Costa Rica, Malaysia and Bulgaria Development Centres. We will extend it into new locations in FY20.

Succession planning is key to us and we have identified one or more successors who are ready to step into 77% of our top-100 leadership roles (now or within two years). This year, over three-quarters of our Senior Leader appointments came from the Experian talent pool and more than one third of our front-line leaders have real potential to grow into more senior roles in FY20.

Future proofing Experian requires the right people with the right skills and capabilities to meet the future growth requirements of the organisation, so we are building these into our workforce. We are also planning our workforce of the future, defining key skills, key roles and key locations, then aligning our current talent with these to enable us to scope our future talent needs.

Experian will be at the heart of the continuing digital revolution and we are leading-edge in the People space. We have developed innovative predictive analytics capabilities that deliver high value both internally and externally. We have built tools that enable our people managers to make better decisions and our robotics capabilities are enhancing efficiency, so they can focus on more complex tasks. These tools include:

- **Attrition Risk Model**: a predictive attrition tool used in all regions that has supported a reduction in attrition to 12% this year, from over 15% in the past
- **Reward Prioritisation Model**: this tool helps our Reward teams prioritise budget allocation based on key data
- **Robotics**: we are now using robotics to support a widening range of key HR administrative processes – our latest tool is ARTHUR (Automating Reports That Humans Usually Run)

Recognition programme continues to engage globally

Level 4 (Elite Winners)
32 winners of an exclusive holiday

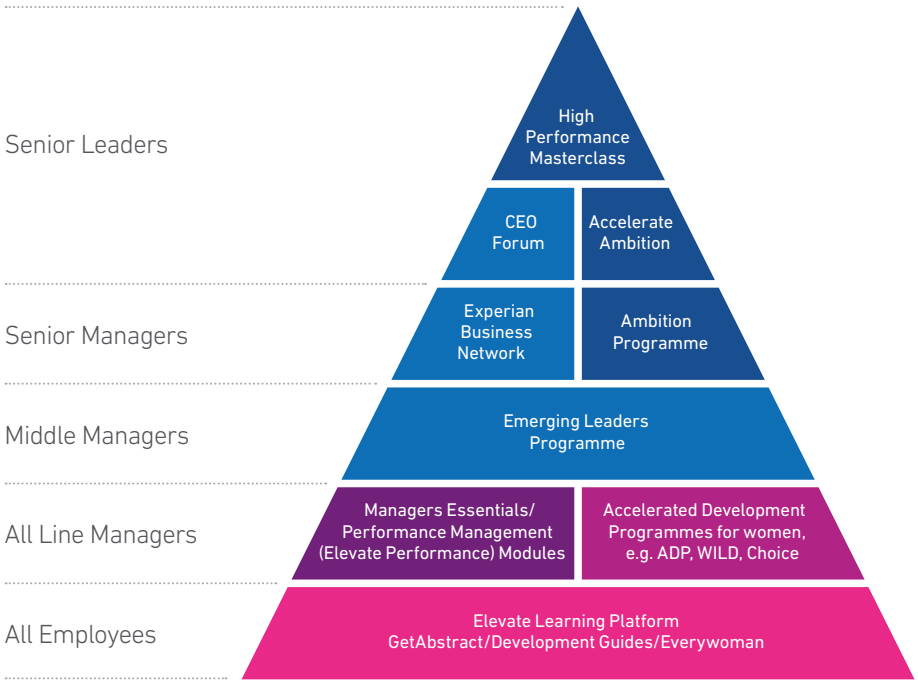
Level 3 (Half-year Awards)
1,400 awarded (US$1,000 person/ US$2,000 team) **16,000** nominations

Level 2 (Spot Awards)
14,000 awarded (up to US$100)

Level 1 (Recognition Badges)
17,000 given

+US$1.6m across levels 1-3 in FY19

Experian talent development opportunities



500,000
Followers reached across our global Talent Acquisition platforms this year

92%
Favourable feedback in new-joiner survey

1 KornFerry Group's Global High Performing Companies Norm (HPN) is a stretch benchmark based on both financial results over a five-year period and above-average Engagement and Enablement scores.

We focused on attracting new talent this year, transforming our Talent Acquisition (TA) and onboarding approach to deliver a seamless candidate experience. The TA and onboarding system is now mobile-enabled, automated and globally consistent. We also stepped up our social media presence, launching the experianjobs Instagram feed, Instagram TV, LinkedIn Life pages and a YouTube playlist with a range of innovative attraction strategies, for example, video job advertisements. In all, we reached more than 500,000 followers across our global TA platforms this year, with a consistent monthly increase. We won Best Recruitment Technology in China's HR Tech Awards and improved our rating as an attractive employer, increasing our Glassdoor rating[1] to 3.7/5 – an increase of 30% since 2015.

Attraction is critical to our success, but we need to continually re-engage our people after they join us. This year, we focused on early experiences as key drivers for long-term engagement and retention, drawing on our listening strategy to understand new employees. We achieved 92% favourable feedback in the new-joiner survey and 82% in our onboarding survey. A new survey of our hiring managers showed that 95% of them still felt positive about the people they recruited after their recruits had been with us for 90 days.

We are building on the success of our global TA system by investing in a new learning and talent management platform. It will help us streamline processes and enable employees to access the learning experiences they need. The new platform will be mobile-accessible.

Working with integrity

Focusing on:
- Upholding high ethical standards
- Respecting human rights
- Safeguarding data and privacy
- Protecting the environment

Upholding high ethical standards

Upholding high ethical standards is fundamental to maintaining our reputation. Everyone at Experian has a responsibility to understand and fulfil the ethical expectations set out in our Global Code of Conduct.

The Code of Conduct helps employees make the right decisions when faced with ethical dilemmas. It is supported by detailed policies on specific topics, including anti-bribery and corruption. Our Anti-Corruption Framework sets out our zero-tolerance policy on bribery and corruption in any form, and this message is reinforced through mandatory annual training for employees. We encourage people to report any suspected breaches of our Code of Conduct or any other unethical activities, through our 24-hour Confidential Helpline, anonymously if they choose.

All our suppliers must comply with the requirements set out in our Supply Chain Principles and their contracts require them to confirm that they accept our standards or have their own equivalent standards in place. We created a new website this year that brings together global and local requirements for suppliers, including our Code of Conduct, our Code of Business Conduct for Suppliers and our Supplier Security Requirements.

We use data from news sources around the world to help us monitor risks in our supply chain, and we share monthly reports on key suppliers with our procurement teams and supplier relationship managers to alert them of any issues. We also conduct assessments of high-risk suppliers. Suppliers identified as high risk for issues such as bribery and corruption are referred to the Compliance Department for further due diligence.

Respecting human rights

Respecting human rights is integral to our Code of Conduct and all aspects of our business. Our policies align with the United Nations Universal Declaration of Human Rights. We provide training to raise employees' awareness of human rights risks and we monitor risks in our supply chain. Our 2019-20 slavery and human trafficking statement outlines our commitment to helping to prevent modern slavery in our supply chain. This year, Experian joined the Slave-Free Alliance that is working towards a slave-free supply chain.

Safeguarding data and privacy

Safeguarding the vast amount of data that we hold is essential to maintaining stakeholders' trust and our licence to operate. Information security will always be of the highest priority at Experian.

We have a proven cyber security programme designed to protect our data and systems from constantly evolving cyber-attacks. We continually monitor and respond to fraudulent activity, maintaining robust security controls based on the international ISO 27001 standard, setting out clear Compliance Principles and applying our Three Lines of Defence model for risk management, as described in the Risk management section.

Everyone at Experian is responsible for the data we hold. Our Global Information Values outline how data must be managed and used in line with regulations. We educate our people and embed the principles of how to handle and treat sensitive data correctly through our SecurityFirst programme.

1 Glassdoor ratings are determined by employee feedback left at www.glassdoor.com

Experian had 1,705 reviews at the end of March 2019.

Our people and corporate responsibility continued

All our people complete mandatory annual training on information security. We also extend stringent standards on information security to our suppliers and partners through the terms of our contracts. The third parties we work with must undergo a Third Party Supplier Risk Assessment process that is overseen by a dedicated Third Party Risk Management team.

Many of our products are designed to help businesses and people protect their data, and check for any inaccuracies in their financial profiles. We carefully review and improve the accuracy of the data we hold and our tools help data providers check data before they submit it to the credit bureaux.

Lenders need access to secure and accurate information about people's financial profiles from Experian or other credit bureaux. Such information is an integral part of an efficient and competitive credit ecosystem that delivers robust and innovative products for consumers and contributes to economic growth. We only ever share data with authorised and trusted organisations. When we do so, we follow strict guidelines and comply with all relevant laws.

Protecting the environment

Helping to protect the environment and tackle climate change is integral to our CR strategy.

This year, we cut the carbon intensity of our business by 11% to 9.8 kilogrammes of CO_2e per US$1,000 of revenue. This reduction was mainly due to the decrease in global emission factors, especially in Brazil and the UK, coupled with our efforts to optimise the efficiency of our buildings. Our carbon footprint totalled 47,700 tonnes of CO_2e, over 6% less than in FY18.

We are now in the process of setting a new carbon target, and we are focusing our efforts where we can make the biggest difference, by cutting the carbon footprint of our buildings.

Our three main data centres in the UK and the USA account for 44% of our total energy use and we have continued to improve their efficiency this year. We have done this by implementing solid state storage devices which use considerably less power and produce less heat than traditional mechanical storage.

Moving more of our data storage to the cloud will also help us mitigate the impacts of climate change, such as more extreme weather, on our business. For example, one of the ways we reduce emissions from our data centres is through free cooling systems that use fresh air rather than energy-intensive air conditioning to cool equipment. However, this only works if the outside air is below a certain temperature, the prolonged heatwave in the UK during the summer of 2018 meant we had to use more air conditioning. We also take steps to protect our data centres from flood risks.

We are exploring ways to reduce energy use and associated emissions from our buildings. Our new office building in São Carlos, Brazil, achieved Silver certification to the LEED (Leadership in Energy and Environmental Design) sustainable buildings standard. It makes use of natural light and energy-efficient equipment as well as integrating facilities to promote recycling and encourage employees to commute to work by bicycle. This year, we sourced 26% of our electricity from low-carbon or renewable sources worldwide.

In Brazil, during the last year, our Serasa Experian Itinerant truck and boat travelled over 18,000 kilometres to reach consumers in every corner of the country. To mitigate the environmental impact of this travel, we invested in a reforestation project in the state of São Paulo to offset the associated 44 tonnes of CO_2e emissions.

Our employees can also help us reduce environmental impacts by taking simple steps such as switching off lights and monitors when not in use, and by using video or teleconferencing rather than travelling to meetings. In Bulgaria, we piloted the use of the JouleBug sustainability app to encourage people to do their part. The app challenges teams of employees to take the most actions to help protect the environment. Over 100 people took part and they collectively logged over 4,500 environmental actions across three 10-day challenges to reduce impacts from energy use, waste and transport.

Our environmental management systems help us continually improve our performance on energy use and other impacts, such as waste. Five of our UK sites are certified to the international ISO 14001:2015 standard and we adopt the principles of the standard across our global operations.

Our carbon footprint

Year ended 31 March		2019	2018	2017
Scope 1	Thousand tonnes of CO_2e	**3.6**	3.9	4.4
Location-based Scope 2	Thousand tonnes of CO_2e	**29.8**	33.0	37.0
Market-based Scope 2[1]	Thousand tonnes of CO_2e	**25.6**	28.0	34.2
Scope 1 and 2 normalised by revenue[2]	Kilograms of CO_2e per US$1,000	**6.9**	8.0[3]	8.9
Scope 3	Thousand tonnes of CO_2e	**14.3**	14.1	12.8
Total emissions	Thousand tonnes of CO_2e	**47.7**	51.0	54.2
Total emissions normalised by revenue	Kilograms of CO_2e per US$1,000	**9.8**	11.0[4]	11.7

1 Market based emissions is prepared using GRI GHG protocol guidance on scope 2 emissions.

2 Using location-based emissions.

3 The FY18 intensity metric based on revenue has been restated following the adoption of IFRS 15. See note 3 of the Group financial statements (on page 118 of the Annual Report 2019) for further detail. Metric reported in our 2018 Annual Report: 7.8 Kilograms of CO_2e per US$1,000.

4 The FY18 intensity metric based on revenue has been restated following the adoption of IFRS 15. See note 3 of the Group financial statements (on page 118 of the Annual Report 2019) for further detail. Metric reported in our 2018 Annual Report: 10.8 Kilograms of CO_2e per US$1,000.

We have reported on all the emission sources within our total carbon footprint which includes Scope 1, 2 and 3 (falling within our Group financial statements) in line with the UK Companies Act 2006 (Strategic Report and Directors' Reports) Regulations 2013. There are no material exclusions from this data. The data has been prepared in accordance with the UK Government's Environmental Reporting Guidance (2013 version). Detailed information on Experian's environmental performance and the 2019 Reporting Principles and Methodologies document are available at www.experianplc.com/responsibility/data-and-assurance.

26%

of our electricity comes from low-carbon or renewable sources

6%

Reduction in our carbon footprint year-on-year

Non-financial information statement

We aim to comply with the Non-Financial Reporting requirement as detailed in Sections 414CA and 414CB of the UK Companies Act 2006.

Our aims

Our business model is set out on page 19. We believe data can create a better tomorrow for everyone, transforming lives and societies, making credit lending simpler, faster and more effective, and helping businesses to become more efficient, with faster and more convenient service delivery to consumers.

Non-financial risks

The risk management section of the Strategic report, starting on page 52, sets out the Group's approach to identifying and managing our principal risks and uncertainties. Our Three Lines of Defence model provides a rigorous governance framework, and the table of principal risks starting on page 55 gives details of the policies, outcomes and due diligence processes that control and mitigate those risks.

The key areas where non-financial adverse impacts could arise are:

1. Respect for human rights

As data custodians, we have a responsibility to safeguard consumer privacy, and we continue to systematically educate our people on how to handle sensitive data through our SecurityFirst programme.

Our Global Code of Conduct[1] aligns with the United Nations Universal Declaration of Human Rights, and our commitment to ensuring an ethical supply chain[1] is borne out by our membership of the Slave-Free Alliance.

2. Employees

Employee engagement is a key performance indicator (see page 13), and we talk on pages 32 to 35 about our many programmes and initiatives that inspire our people to be their best, to bring their whole selves to work, our commitment to diversity and inclusion, and our recruitment, retention and succession practices that help to mitigate the risk of our dependence on highly skilled personnel.

3. Environmental matters[1]

We take our environmental responsibilities seriously, and the reduction of greenhouse gas emissions is a key performance indicator for us (see page 13). See also page 36 for further actions and initiatives Experian is taking to help protect the environment[2].

4. Anti-corruption and anti-bribery

Our Anti-Corruption Framework[1] sets out our zero-tolerance policy on bribery and corruption in any form, and this message is reinforced through mandatory annual training for employees.

5. Social matters

Experian has many initiatives in place to deliver our purpose of creating a better tomorrow for consumers, clients, our people and our communities. The role we play benefits everyone; businesses grow, people prosper and communities thrive. This happens in many ways, including the development of social innovation products, employee volunteering and support for community groups and charities.

1. More detail is available at www.experianplc.com/responsibility/our-policies/
2. Further detail is also available at www.experianplc.com/responsibility/data-and-assurance

Delivering faster, more informed decisions

with Experian's Ascend Technology Platform and PowerCurve

"This is a game-changer for our clients. They're completing analysis that just wasn't possible before and getting decisions to their customers faster, without compromising risk assessment."

David Huizinga
Vice President of Product Management, Experian North America

Decision-making can be very complex

Every day, businesses make thousands of critical decisions related to credit, lending and other financial activities across their customer value chain. These decisions cover every aspect of their activities across multiple channels and managing them is an incredibly complex process. In many instances credit policies are inconsistently applied or businesses have disconnected IT systems that add complexity and waste time. This makes it tough for them to stay ahead of fast, constantly changing market conditions and customer preferences.

A world-class decision engine

To help businesses, we developed our Ascend Analytical Sandbox, the first solution built on the Ascend Technology Platform. The Sandbox contains all the data and analytics tools needed to create, build, and gain insight from data. The hybrid-cloud system gives businesses near real-time access to over 17 years of anonymised credit data, on 240 million US consumers, as well as trended income, rental, business and automotive data.

We've now added our powerful decisioning engine, PowerCurve, into our Ascend Technology Platform for Account Review. PowerCurve acts as a bridge between the offline analyses done in the Ascend Analytical Sandbox and the actual implementation in the client's operation. Clients can move from analysis and design to coding and strategy to implementation on one platform, with one set of tools.

With PowerCurve, clients can design, review and test new decision strategies, such as which people to offer a balance transfer to, and then seamlessly implement and deploy that decision across their entire portfolio. Embedded within PowerCurve are machine learning algorithms that recalculate scores as data changes in real time. This is important because people's circumstances change all the time. For example, if someone moves from being a student to employment then they can be offered an increased credit card limit. No manual processes involved. When they accept or decline the offer that data loops back into the Sandbox and the business can learn from it and improve their decisioning strategies.

Ascend Analytical Sandbox™ was the 2019 winner of the "Best Overall Analytics Platform" award by FinTech Breakthrough

Better decisions at every decision point

For businesses this means:

- Automated and seamless decisioning, coupled with fast access to the freshest data ensures they can make better decisions at every decision point
- Reduced risk and improved customer outcomes and experience as customers are better matched to products
- Clients have seen a 36% increase in response rates to credit offers and 17% increase in consumer eligibility for balance transfer offers, both driving an increase in top-line revenue
- Reduced costs as multiple vendors and multiple systems are removed
- Improved time-to-market and adaptability to market changes

For consumers this means:

- More appropriate and engaging offers based on real-time data
- Faster responses to changes in their circumstances
- A wider choice of offers

Strategic focus areas:

Make credit and lending simpler and faster for consumers and businesses

Empower consumers to control their data and improve their financial lives

Help businesses verify consumer identity

Remove complexity and increase transparency in underserved verticals

Enable businesses to find, understand and connect with audiences

Regional review

North America

Revenue in North America was US$2,913m, with total revenue growth of 11% and organic revenue growth of 10%.

North America B2B delivered organic revenue growth of 11%, with growth widely spread across a number of areas. In Data, this included volume growth across core profiles, trended data in mortgage and, as we address new markets with our data, advanced analytics and decisioning software. Our strategy to supplement consumer bureau data with new alternative sources of data is also contributing to growth, as we secure client wins and synergies from our industry-leading Clarity Services acquisition, which has performed very strongly.

We have made considerable progress with Ascend in its first full year since launch. Ascend is our big data platform which provides access to historic credit data and can integrate both third party and alternative data sources. The first module, Ascend Sandbox, has now been adopted by our largest clients. We expect to sustain momentum as we introduce new modules which add data from Clarity Services, automotive data and business credit data, where we have secured our first client wins, and as we extend into the mid-market. By coupling Ascend with PowerCurve we are also able to solve more complex challenges for clients, enabling them to link credit-strategy scenario analysis to make immediate decisions around credit line management, something which has not been possible in the past, and we have secured our first client wins for these advanced modules.

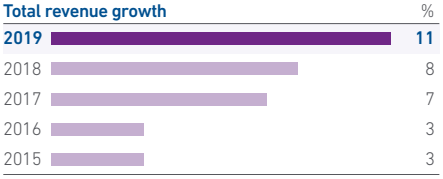
"We delivered an outstanding performance this year. Clients are using our innovative products to remove time, cost and friction from their decision-making processes. For the first time ever consumers can permission new sources of data to add to their credit file – putting them in control and helping them improve their financial lives."

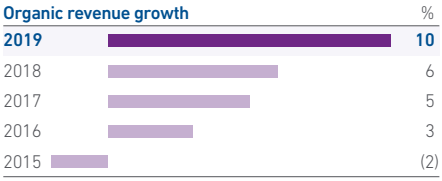
Craig Boundy
CEO, North America

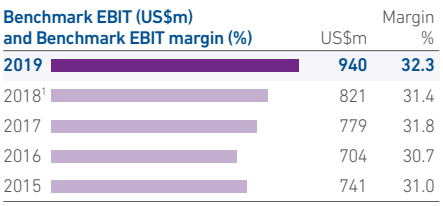
Decisioning performed very strongly this year as we secured substantial multi-product engagements with major financial institutions for the provision of software, analytics and consulting services, as well as for fraud and identity management. We also made good progress as we have introduced new PowerCurve modules, securing our first PowerCurve collections win in the USA. Experian Health also performed strongly, with another year of double-digit growth overall and across our suite of eligibility, claims and collections, and as we have won new hospital mandates and cross-sell more of our revenue-cycle suite to existing clients.

North America Consumer Services delivered organic revenue growth of 9%. Our strategy is to establish direct relationships with consumers and to help consumers get better outcomes by using their data for their own benefit. We have now signed 19m consumers to free membership offers, up from 14m at the end of FY18. Our identity offer continues to grow, with 375,000 consumers now signed up. We were also delighted to introduce Experian Boost, a new service which gives consumers the ability to make positive choices about using their data to build out their credit files using non-traditional sources like utilities, mobile phone or cable TV bills. Since launch in March, over 600,000 US consumers have connected to Experian Boost, which is a hugely encouraging initial reception. CreditMatch, our credit comparison offer, is gathering momentum, almost quadrupling revenue over the course of this year and we also delivered good growth in B2B2C as we signed new customers for identity, credit comparison and data breach services during the year.

North America Benchmark EBIT increased by 14% to US$940m. There was good progress in the Benchmark EBIT margin which increased by 90 basis points year-on-year to 32.3%, reflecting operating leverage and momentum in our Consumer Services business.



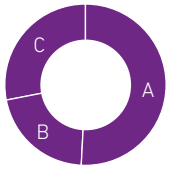




Revenue by activity	2019 US$m	2018[1] US$m	Total growth %	Organic growth %
B2B: Data	**1,468**	1,302	13	10
B2B: Decisioning	**623**	560	11	11
Total B2B	**2,091**	1,862	12	11
Consumer Services	**822**	756	9	9
Total – ongoing activities	**2,913**	2,618	11	10
Exited activities	**-**	5		
Total North America	**2,913**	2,623		

Revenue split (%)

A Business-to-Business: Data – 51%
B Business-to-Business: Decisioning – 21%
C Consumer Services – 28%



1 Restated for IFRS 15.

Regional review continued

Latin America

In Latin America, revenue was US$707m, with total and organic revenue growth of 6% at constant exchange rates.

As the new political administration in Brazil prioritises reform, the macroeconomic backdrop has started to stabilise. Our business grew double-digit in Q4 of FY19 as greater confidence in the macroeconomic and political environment helped clients confirm a number of large purchases deferred from earlier in the year. Throughout the recession, we continued to invest in our business and we are well positioned going forward. This year in Brazil we delivered good growth in B2B as we signed multi-year agreements with lenders, retailers and other clients for data, scores, analytics and decisioning software, and this helped to offset weaker revenue performance across small and mid-market accounts. We are now ramping up the rate of B2B product introductions, having launched Ascend after the end of the financial year and we have since secured our first client win in Brazil.

We welcome new legislation in Brazil which will permit the collection of comprehensive credit data. We believe this will expand financial inclusion in Brazil enabling consumers to access a wider range of financial products and services. We believe it will also create the conditions to develop better scores, enhanced services for consumers and to increase adoption of advanced analytical and cloud-based decisioning tools. We are fully prepared for the introduction of positive data when the new opt-out law becomes effective in July 2019, and we expect implementation to take place by October 2019.

We prioritised investing in our consumer business ahead of the introduction of positive data and we now have significant momentum. We have gained considerable scale having signed up over 32m free members, or over 15% of the population, which demonstrates the power and resonance of the Serasa Experian brand in Brazil. We are successfully generating revenue through a range of offers, including our debt settlement service Limpa Nome. We have also made good progress with eCred (our credit comparison service) and through our B2B2C offer, Serasa Box.

Spanish Latin America performed strongly as we extend the range of services we offer to our B2B clients. We have won new mandates with large clients in Colombia and we are successfully deploying our decisioning software suite across the wider region. We plan to grow our market position still further as we introduce more of our highly differentiated global Experian platforms into the region, including Ascend, CrossCore and Experian One.

Benchmark EBIT in Latin America was US$231m, up 9% at constant exchange rates. Benchmark EBIT margin was 32.7% (2018: 33.3%) reflecting foreign exchange headwinds, revenue mix, investment in the Consumer Services start-up and other growth initiatives.

"We've made steady progress through the year as we deliver innovative new services to our B2B customers. Over 32 million consumers in Brazil have now also signed up for free memberships so they can benefit from access to financial education, credit matching, identity protection and debt resolution services."

José Luiz Rossi
Managing Director,
Latin America

Total revenue growth	%
2019	**6**
2018	6
2017	9
2016	7
2015	3

Organic revenue growth	%
2019	**6**
2018	6
2017	9
2016	7
2015	3

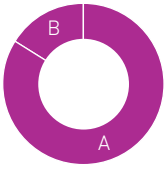
Benchmark EBIT (US$m) and Benchmark EBIT margin (%)	US$m	Margin %
2019	**231**	**32.7**
2018[1]	259	33.3
2017	251	34.4
2016	226	35.8
2015	313	36.6

Revenue by activity	2019 US$m	2018[1] US$m	Total growth %	Organic growth %
B2B: Data	**594**	668	3	3
B2B: Decisioning	**113**	110	23	23
Total Latin America	**707**	778	6	6

Revenue split (%)

A Business-to-Business: Data – 84%

B Business-to-Business: Decisioning – 16%



1 Restated for IFRS 15.

UK and Ireland

Revenue in the UK and Ireland was US$813m, with total and organic revenue growth of 4% at constant rates. Growth in B2B was 7%, and the rate of decline in Consumer Services moderated to (4)%.

B2B performed well, with a step-up in performance towards the end of the year, underpinned by good growth in credit reference volumes and new client wins for credit pre-qualification and data aggregation services and as we secured major client wins for combinations of data and software services. We have placed a significant emphasis on rolling out our innovation portfolio. We have seen considerable client interest in Ascend since its launch in the UK and Ireland earlier in the year and we are delighted to have secured five signed agreements with several financial institutions. Ascend will be a high priority focus for us in the UK and Ireland over the coming year. As in the USA, our ambition is to introduce new modules which will include additional sources of Experian data, and enable us to address more customer segments, as well as opportunities to integrate Ascend with PowerCurve. Momentum is also building across our open banking platform as we have signed new clients for affordability services, and we have secured new client agreements for Experian One, our SaaS-based decisioning service.

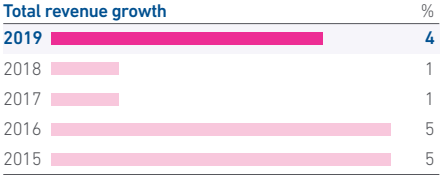
In Consumer Services, we have made steady progress with the business back to a stable position as we exit the year. While we were disappointed that our plan to acquire ClearScore was not successful, we have made good progress in our efforts to diversify the business. Our free membership base has reached 5.6m consumers, and CreditMatcher, our comparison service, grew strongly. We see significant opportunities to help consumers better manage their money and we will continue to add exciting new features to help them do this. Recently we introduced a new identity offer Identity Plus and we will launch innovative new free services over the coming year, including offers based around consumer-permissioned data. Subscription-based credit monitoring services contracted, but the rate of decline has moderated as new product features drive higher engagement in paid memberships.

Benchmark EBIT was US$230m, down (1%) at constant exchange rates. This reflected the decline in Consumer Services revenue, as well as elevated investment in a range of new product introductions. The Benchmark EBIT margin was 28.3% (2018: 29.8%).

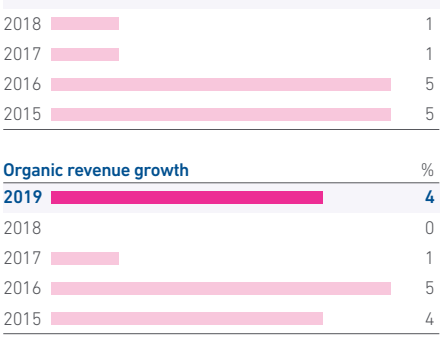
"Business-to-Business performed well this year. We are helping our clients modernise their operations with innovative new platforms. Our new open data platform provides clients with greater insight around consumer eligibility and affordability. Our credit comparison engine is now also used by millions of people in the UK."

Charles Butterworth
Managing Director,
UK and Ireland and EMEA

Total revenue growth



Organic revenue growth

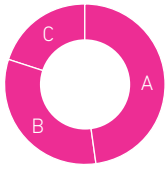


Benchmark EBIT (US$m) and Benchmark EBIT margin (%)

Revenue by activity	2019 US$m	2018[1] US$m	Total growth %	Organic growth %
B2B: Data	**388**	376	5	4
B2B: Decisioning	**262**	241	10	10
Total B2B	**650**	617	7	7
Consumer Services	**163**	171	(4)	(4)
Total – ongoing activities	**813**	788	4	4
Exited activities	**6**	7		
Total UK and Ireland	**819**	795		

Revenue split (%)

A Business-to-Business: Data – 48%
B Business-to-Business: Decisioning – 32%
C Consumer Services – 20%



1 Restated for IFRS 15 and the reclassification to exited business activities of certain B2B businesses.

Regional review continued

EMEA/Asia Pacific

EMEA/Asia Pacific performed strongly. Revenue was US$422m, with total and organic growth of 14% at constant rates, including positive contributions across both Data and Decisioning.

This has been an exciting year of significant developments across EMEA/Asia Pacific. Lenders in EMEA are investing in cloud-based technologies and advanced analytics. We are well positioned to capitalise on these trends as we introduce global capabilities like Ascend and Experian One.

The acquisition of Compuscan will also strengthen our market position in South Africa and provide opportunities more broadly across Africa. We have a long track record of investment in South Africa, where for many years we have helped businesses thrive through the provision of credit data and decisioning tools. Compuscan is one of the leading providers of credit information and decision analytics in South Africa, with operations also across six other sub-Saharan African countries. The combined customer bases of Experian and Compuscan are highly complementary and we believe we will realise substantial benefits from this combination.

In Asia Pacific we have pioneered the concept of data marketplaces, signing new commercial agreements this year with C88 in Indonesia and Jirnexu in Malaysia, alongside equity investments in each company. These marketplaces allow us to score more people using non-traditional data and increase acceptance rates for credit cards, unsecured loans and insurance offers. The result is millions of people can get access to affordable credit. Asia Pacific contains the largest population of unbanked and underbanked consumers in the world and with these investments we have the ability to vastly increase levels of financial inclusion. These investments, alongside a greater number of large new business wins for our analytics and decisioning software, have propelled our performance in Asia Pacific this year.

Benchmark EBIT was US$3m (2018: US$5m). At actual exchange rates Benchmark EBIT growth was (38)%, due to adverse currency translation effects, and at constant exchange rates it was 152%. Benchmark EBIT margin from ongoing activities at actual rates declined (60) basis points to 0.7% as foreign exchange translation rates offset positive margin development as our operations grow in scale.

Total revenue growth	%
2019	**14**
2018	11
2017	9
2016	7
2015	4

Organic revenue growth	%
2019	**14**
2018	11
2017	9
2016	7
2015	3

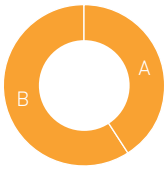
Benchmark EBIT (US$m) and Benchmark EBIT margin (%)	US$m	Margin %
2019	**3**	**0.7**
2018[1]	5	1.3
2017	(3)	(0.9)
2016	(14)	(4.8)
2015	(10)	(2.3)

Revenue by activity	2019 US$m	2018[1] US$m	Total growth %	Organic growth %
B2B: Data	**175**	172	4	4
B2B: Decisioning	**247**	216	21	21
Total EMEA/ Asia Pacific	**422**	388	14	14

Revenue split (%)

A Business-to-Business: Data – 41%

B Business-to-Business: Decisioning – 59%



"We've had a real cultural shift across EMEA, as we introduce new services. Our clients are adopting cloud technologies and using our decisioning tools to automate and improve their processes."

Charles Butterworth
Managing Director,
UK and Ireland and EMEA

"We've combined alternative data, our scores and our decisioning tools to create Experian Marketplaces, partnering with our clients to open-up fairer access to credit and drive financial inclusion across Asia Pacific."

Ben Elliot
CEO, Asia Pacific

1 Restated for IFRS 15.

Getting the credit you deserve

with Experian Boost

"We want to help consumers establish and build their credit profiles, and access the credit that they deserve, because everyone should be able to achieve their financial dreams."

Michelle Felice-Steele
Senior Director of Product Management, Experian North America

Many people don't have access to credit, yet pay their bills on time

In the USA today, there are more than 100 million people who have either 'thin' credit files, because they don't have enough credit history, or have 'subprime' credit status. Having a credit score between 580 and 669 is considered subprime, based on FICO® Score ranges. This means you have a fair credit score but present some risk to a lender. People who are 'thin-file' or subprime may find it difficult to qualify for certain credit cards and loans, and incur higher interest charges than people in higher score bands.

And many people, from across all credit scoring bands, consistently and responsibly pay their mobile phone and utility bills on time, every month, yet do not receive credit for this positive payment history on their credit files. Until now.

Boost your score – in 5 minutes

To help ensure that responsible behaviour is acknowledged on a person's credit file and is rewarded we created a new, free tool for consumers – Experian Boost. It's an industry first and was built on the back of our expertise in authentication, consumer experience, and data analysis, aggregation and categorisation.

It's a simple process:

1. Consumers sign up online at Experian.com (for a free or paid membership)
2. They opt in and grant us permission to connect to their online bank accounts to identify utility and telecom payments
3. They verify the payment data and confirm they want it added
4. The new data is added directly into their Experian credit file and their FICO® Score 8 is re-calculated and delivered in real time

Up to 24 months of positive-only payment history can be added initially. The whole process takes about five minutes, and the resulting credit score boost is immediate. The consumer is in control of their data: they authorise the data to be added, or not, and can choose to stop contributing at any time.

Opening the door to new opportunities

This is a step-change for consumers and for those who struggle the most with building credit. They can potentially see an immediate improvement to their FICO® Score 8 and shift into a more favourable score band. This opens the door to new financial opportunities as they could immediately qualify for more offers and better interest rates. And their credit file will continue to grow as monthly data from their payment history keeps being added. In the first seven weeks of Experian Boost in market:

- over 3 million points have been added to consumers' credit scores
- 90% of thin-file users have raised their FICO® Score 8
- 66% of consumers with a subprime FICO® Score 8 saw an increase
- 13% of consumers have seen a favourable score band shift

Lenders get the benefit of more data about the consumer. This means they can more effectively assess consumers with limited credit history and thin files, the pool of people they can lend to will expand and they can offer new deals, better interest rates and lower deposits than before to serve previously underserved or declined consumers.

Strategic focus areas:

- Make credit and lending simpler and faster for consumers and businesses
- Empower consumers to control their data and improve their financial lives
- Help businesses verify consumer identity
- Remove complexity and increase transparency in underserved verticals
- Enable businesses to find, understand and connect with audiences

Financial review

Going from strength to strength

"We delivered strong progress this year with 9% growth in organic and total revenue, 10% growth in Benchmark EBIT, all at constant exchange rates, and 97% cash flow conversion. This performance reflects the success of our strategy to invest in technology and innovation, deliver One Experian propositions and engage with more customers."

Lloyd Pitchford
Chief Financial Officer

Alternative Performance Measures*

We have identified and defined certain non-GAAP measures. These are the key measures used by management to assess the underlying performance of our ongoing businesses. There is a summary of these measures on page 51 and a fuller explanation in note 7 to the Group financial statements on pages 129 to 130.

Highlights 2019

Revenue
US$4.9bn

Benchmark EPS
USc98.0*

Total revenue growth
9%*
(at constant FX)

Cash flow conversion
97%*

Organic revenue growth
9%*
(at constant FX)

Returned to shareholders
US$628m

Summary

We made good strategic and financial progress during the year, with 9% revenue growth from ongoing activities and a 9% increase in Benchmark EPS, both at constant currency, along with strong Benchmark operating cash flow. Benchmark EBIT from ongoing activities was US$1.3bn, up 10% at constant exchange rates. Performance across B2B was strong with consistent growth across the year and revenue growth of 10% at constant exchange rates. Our Consumer Services business returned to growth throughout FY19, increasing organic revenue by 6%.

Statutory financial highlights

	2019 US$m	2018[1] US$m	Growth %
Revenue	**4,861**	4,584	6
Operating profit	**1,162**	1,051	11
Profit before tax	**957**	950	1
Profit after tax from continuing operations	**701**	814	(14)
Net cash inflow from operating activities – continuing operations	**1,283**	1,255	2
Basic EPS	**USc76.9**	USc85.4	(10)

Benchmark financial highlights[2]

	2019 US$m	2018[1] US$m	Constant rates growth %
Revenue[3]	**4,855**	4,572	9
Benchmark EBIT	**1,311**	1,247	10
Benchmark PBT	**1,198**	1,162	8
Benchmark EPS	**USc98.0**	USc94.4	9
Benchmark operating cash flow	**1,270**	1,196	11

1 Results for FY18 are restated following the adoption of IFRS 15, Benchmark measures are also restated for the reclassification to exited business activities of certain B2B businesses.

2 See note 7 to the Group financial statements for definitions of non-GAAP measures.

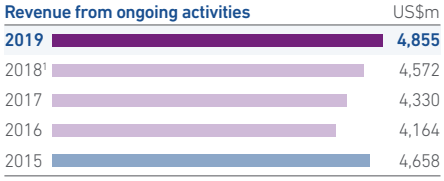
3 From ongoing activities.

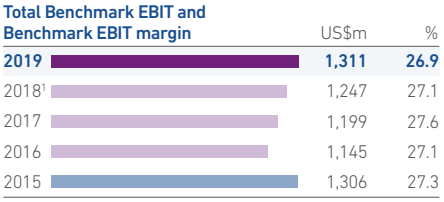
Performance summary

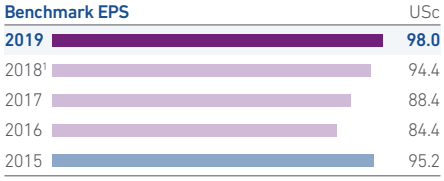
Commentary on revenue and Benchmark EBIT performance by region is provided earlier in the Strategic report, within the regional reviews on pages 39 to 42. The table below summarises our performance by business segment.

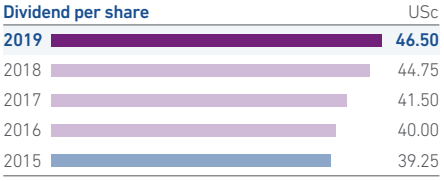
We report our financial results in US dollars. The weakening of our other trading currencies during the year, primarily the Brazilian real against the US dollar, reduced total revenue by US$148m and Benchmark EBIT by US$61m. A ± 1% change in the Brazilian real or pound sterling exchange rate will impact total revenue by ± US$6m or ± US$8m respectively. Benchmark EBIT margin from ongoing activities was adversely impacted by foreign exchange movements by 40 basis points.

Details of the principal exchange rates used and currency exposures are given in note 11 to the Group financial statements on page 138.









Includes the performance of CCM

1 Results for 2018 are restated for IFRS 15 and the reclassification to exited business activities of certain B2B businesses.

Revenue, Benchmark EBIT and Benchmark EBIT margin by business segment

	2019 US$m	2018[1] US$m	Total growth[2] %	Organic growth[2] %
Revenue				
Data	**2,625**	2,518	8	7
Decisioning	**1,245**	1,127	14	14
Business-to-Business	**3,870**	3,645	10	9
Consumer Services	**985**	927	6	6
Ongoing activities	**4,855**	4,572	9	9
Exited business activities	**6**	12	n/a	
Total revenue	**4,861**	4,584	9	
Benchmark EBIT				
Business-to-Business	**1,186**	1,126	11	
Consumer Services	**218**	194	12	
Business segments	**1,404**	1,320	11	
Central Activities – central corporate costs	**(98)**	(79)	n/a	
Ongoing activities	**1,306**	1,241	10	
Exited business activities	**5**	6	n/a	
Total Benchmark EBIT	**1,311**	1,247	10	
Benchmark EBIT margin – ongoing activities				
Business-to-Business	**30.6%**	30.9%		
Consumer Services	**22.1%**	20.9%		
Benchmark EBIT margin	**26.9%**	27.1%		

1 Revenue and Benchmark EBIT by business segment for FY18 have been restated following the adoption of IFRS 15, the introduction of new business segments and the reclassification to exited business activities of certain B2B businesses.

2 At constant exchange rates.

This Financial review reports underlying financial results excluding disposals, certain remeasurements and impairments, as the exclusion of these items provides readers with a clear and consistent presentation of the underlying operating performance of the Group's ongoing businesses.

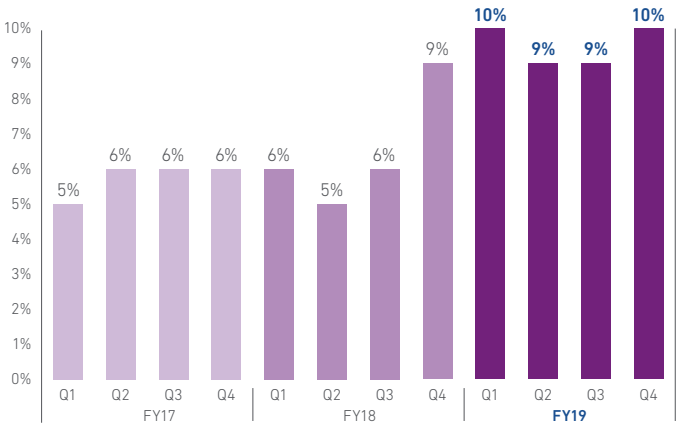
Financial review continued

New business segments were introduced in FY19. A reconciliation of the results for the year ended 31 March 2018 as previously reported, to the revised business segments, is provided below.

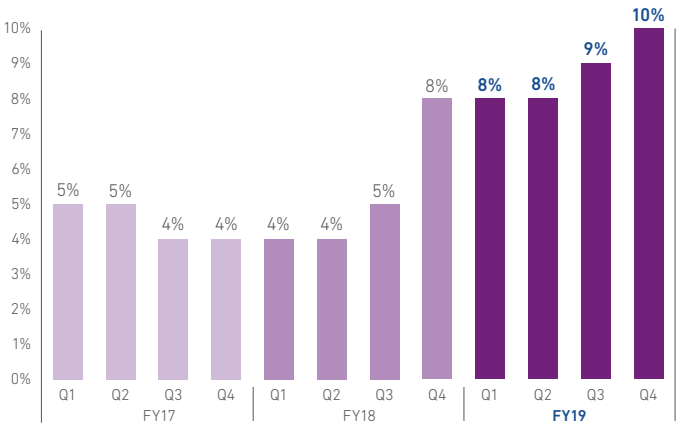
Year ended 31 March 2018	Old structure[1] US$m	New structure US$m	Impact of IFRS 15 US$m	2018 US$m	
Revenue					
Credit Services	2,605				
Decision Analytics	662	2,550	(32)	2,518	Data
Marketing Services	457	1,174	(47)	1,127	Decisioning
Business-to-Business	3,724	3,724	(79)	3,645	Business-to-Business
Consumer Services	926	926	1	927	Consumer Services
Ongoing activities	4.650	4,650	(78)	4,572	Ongoing activities
Exited business activities	12	12	—	12	Exited business activities
Total revenue	4.662	4,662	(78)	4,584	Total revenue
Benchmark EBIT					
Business-to-Business	1,170	1,170	(44)	1,126	Business-to-Business
Consumer Services	194	194	—	194	Consumer Services
Ongoing activities	1,364	1,364	(44)	1,320	Ongoing activities
Exited business activities	6	6	—	6	Exited business activities
Total business segments	1,370	1,370	(44)	1,326	Total business segments
Central Activities	(79)	(79)	—	(79)	Central Activities
Total Benchmark EBIT	1,291	1,291	(44)	1,247	Total Benchmark EBIT

1 Revenue and Benchmark EBIT have been re-analysed following the reclassification to exited business activities of certain B2B businesses.

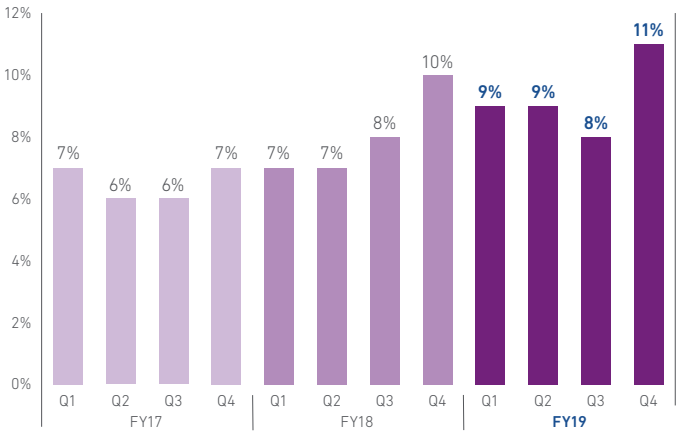
Total revenue growth



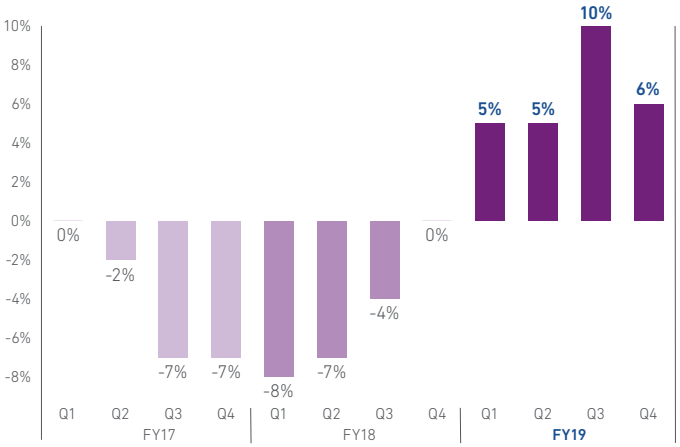
Organic revenue growth



Business-to-Business organic revenue growth



Consumer Services organic revenue growth



Growing our Group

We delivered one of our strongest ever years of growth, with revenue up 9% at constant currency. We are making significant progress – winning in the marketplace through product innovation and our One Experian approach, expanding our geographical footprint, securing new types of data and finding new uses for our data. We are driving synergies across our operations by combining data sources, integrating analytics, and using technology to secure competitive advantage. We are continually investing in new product innovation to address new market opportunities.

We made strong progress with our productivity initiatives which allow us to invest more of our growth back into organic investment. During the year these productivity initiatives meant that our FTE headcount increased by 1% on constant currency organic revenue growth of 9%.

Benchmark EBIT from ongoing activities was US$1,306m, growing faster than revenue at 10% at constant currency. Benchmark EBIT margin from ongoing activities was 26.9%, which included a 40 basis point headwind from foreign exchange movements.

FY19 has been a year of strong growth delivery as the benefit of our investments in strategic initiatives have gained momentum. We plan to continue our strategy of investing to drive sustainable innovation-led growth and expect the Group to grow organic revenue in FY20 between 6% and 8%.

Organic revenue trends – ongoing activities

Performance across our B2B operations was very strong. We are expanding our position with existing clients and adding new ones. Global B2B platforms are scaling across our geographies with new opportunities secured for PowerCurve, CrossCore, Text for Credit and Verdus. Our Ascend big data analytics platform is installed across the majority of our largest US clients, with a global roll-out underway. We have considerable potential to introduce and expand our services in emerging markets and are expanding our services in new industry segments, such as US healthcare.

Our Consumer Services business returned to growth with strong performance across new products. Consumers are looking for instant frictionless experiences. Our strategy – putting consumers in control – is driving growth as we capitalise on new markets and broaden reach through new product development. The new products in identity protection and lead generation introduced over the last two years have scaled rapidly, generating over US$80m of revenue in the USA during the year, and continue to grow strongly. We are supporting these with a number of new product innovations and features.

Interest and tax

Benchmark net finance costs increased by US$28m reflecting increases in market interest rates. Statutory net finance costs have increased by US$99m this year, primarily as a result of an increase in foreign exchange losses on Brazilian real intra-Group funding of US$25m, and fair value remeasurements on derivatives. At 31 March 2019, the interest on 68% of our net funding was at fixed rates (2018: 60%). We anticipate that net interest for the year ahead will total US$135m, which includes a US$10m charge following the adoption of IFRS 16 (see page 49) based on our current operating lease portfolio.

Reconciliation of Benchmark EBIT to statutory profit before tax

Year ended 31 March	2019 US$m	2018[1] US$m
Benchmark EBIT from ongoing activities	**1,306**	1,241
Exited business activities	**5**	6
Benchmark EBIT	**1,311**	1,247
Net interest expense	**(113)**	(85)
Benchmark PBT	**1,198**	1,162
Exceptional items	**5**	(57)
Other adjustments made to derive Benchmark PBT	**(246)**	(155)
Profit before tax	**957**	950

1 Results for 2018 are restated for IFRS 15 and the reclassification to exited business activities of certain B2B businesses.

Our total tax charge was US$256m (2018: US$136m). The FY18 tax charge benefitted from a one-off credit of US$116m following the enacting of the US Tax Cuts and Jobs Act. Our effective tax rate on Benchmark PBT was 25.5% (2018: 25.5%).

We believe that our effective tax rate on Benchmark PBT in FY20 will be in the region of 26%, reflecting the mix of profits and prevailing tax rates by territory.

The equivalent cash tax rate remains below our Benchmark tax rate and a reconciliation is provided in the table below. As anticipated our cash tax rate increased in the year and it is expected to move closer to our Benchmark tax rate over the course of the next four years, as tax amortisation of goodwill on earlier acquisitions and prior tax losses are utilised.

Cash tax reconciliation

Year ended 31 March	2019 %	2018[1] %
Tax charge on Benchmark PBT	**25.5**	25.5
Tax relief on intangible assets	**(4.1)**	(5.0)
Benefit of brought forward tax losses	**(1.3)**	(1.2)
Other	**(0.7)**	(2.9)
Tax paid as a percentage of Benchmark PBT	**19.4**	16.4

1 Restated for IFRS 15.

Basic EPS was 76.9 US cents (2018: 85.4 US cents). Basic EPS is reduced by 21.1 US cents per share (2018: 9.0 US cents per share) in respect of other adjustments made to derive Benchmark PBT and discontinued operations. Benchmark EPS was 98.0 US cents (2018: 94.4 US cents), an increase of 4% at actual and 9% at constant currency exchange rates. A ± 10% change in the Brazilian real or pound sterling exchange rate will impact Benchmark EPS by ± 2 US cents or ± 1 US cents respectively. Further information is provided in note 19 to the Group financial statements on pages 144 to 145.

Financial review continued

Dividends and distributable reserves

Our progressive dividend policy aims to increase the dividend over time, broadly in line with the underlying growth in Benchmark EPS. This aligns shareholder returns with our underlying profitability.

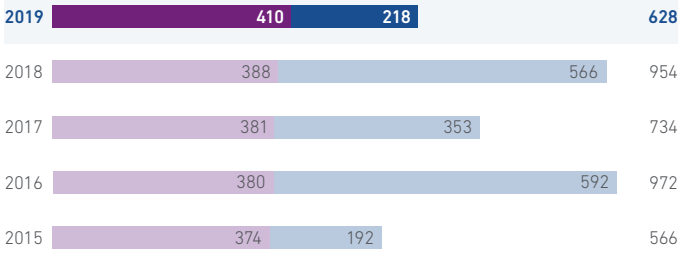
The Board has announced a second interim dividend of 32.5 (2018: 31.25) US cents per share, giving a total dividend for the year of 46.5 (2018: 44.75) US cents per share, an increase of 4% on the prior year.

The total dividend per share for the year is covered 2.1 times by Benchmark EPS (2018: 2.1 times). Ordinary dividends paid in the year amounted to US$410m (2018: US$388m), The UK entity responsible for distributing dividends under the Group's Income Access Share arrangements has significant distributable reserves at 31 March 2019 of US$7.5bn. See note K to the Company financial statements for further detail.

Shareholder returns

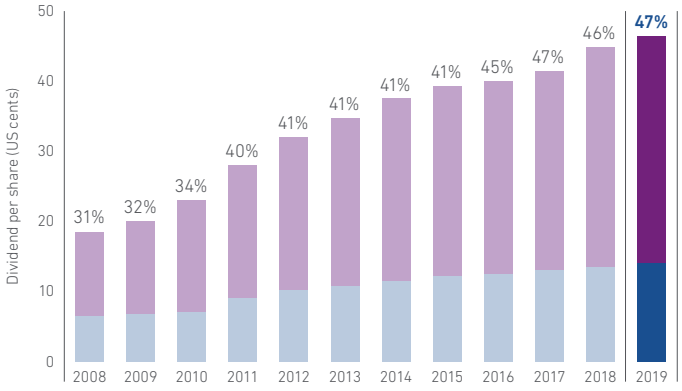
For the year ended 31 March 2019, net share purchases totalled US$218m, on which a gain of US$3m was made. We expect to execute share purchases of up to US$400m in the coming year.

Total return to shareholders US$m



Dividends Net share purchases

Dividend history (USc) Payout ratio (%)



First interim dividend Second interim dividend

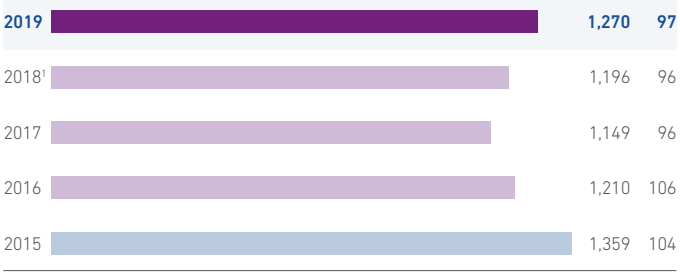
Cash and liquidity management

This year, we continued to deliver strong cash generation, with a 97% conversion of Benchmark EBIT to Benchmark operating cash flow (2018: 96%). We anticipate that our future Benchmark operating cash flow conversion will continue to be over 90%.

The continued strength of our Benchmark operating cash flow performance reflects the nature of our business and financial model and our focus on working capital management.

As shown in the Cash flow and Net debt summary table, we generated strong operating and free cash flows in the year. Cash outflow from discontinued operations was US$42m (2018 inflow: US$215m) primarily related to the divestment of CCM.

Benchmark operating cash flow and cash flow conversion US$m %



Includes the performance of CCM

1 Restated for IFRS 15.

Cash flow and Net debt summary

Year ended 31 March	2019 US$m	2018 US$m
Benchmark EBIT[1]	1,311	1,247
Amortisation and depreciation charged to Benchmark PBT	326	326
Net capital expenditure	(431)	(422)
Increase in working capital[1]	(26)	(26)
Loss/(profit) retained in associates	3	(5)
Charge for share incentive plans	87	76
Benchmark operating cash flow	1,270	1,196
Net interest paid	(129)	(86)
Tax paid – continuing operations	(233)	(191)
Dividends paid to non-controlling interests	(1)	(4)
Benchmark free cash flow	907	915
Acquisitions	(95)	(169)
Purchase of investments	(30)	(87)
Disposal of businesses and investments – continuing operations	12	2
Exceptional items other than disposal of businesses	(25)	(54)
Ordinary dividends paid	(410)	(388)
Net cash inflow – continuing operations	359	219
Net debt at 1 April	(3,408)	(3,173)
Net share purchases	(215)	(565)
Discontinued operations	(42)	215
Foreign exchange and other movements	31	(104)
Net debt at 31 March	(3,275)	(3,408)

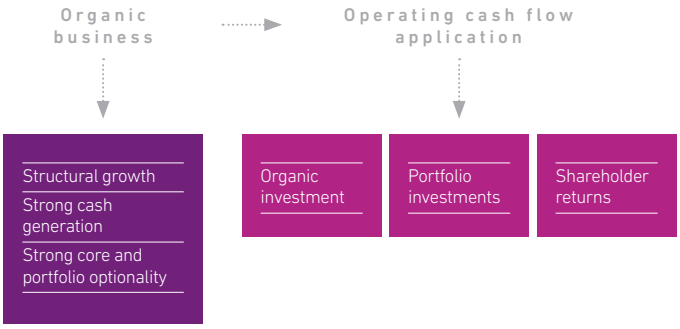
1 Comparative restated for IFRS 15.

Funding

During the year we issued bonds totalling US$1.0bn maturing in 2024 and 2029. We also extended the maturity date of our principal bank facilities from June 2021 to December 2023, with extension options to 2025. The average duration of our debt was extended by 18 months and at 31 March 2019 48% (2018: 18%) of our total borrowings falls due in over five years. Our undrawn committed bank borrowing facilities increased by US$0.3bn to US$2.6bn.

Disciplined capital management

Capital strategy – our medium-term financial framework



Strong growth in Benchmark earnings per share

Total investment of US$556m (2018: US$678m) comprised cash flows for net capital expenditure, acquisitions and investments.

Net debt at 31 March 2019 was US$3,275m (2018: US$3,408m) representing 2.0 times Benchmark EBITDA (2018: 2.2 times), compared to our target range of 2.0 to 2.5 times.

We did not breach any covenants given on borrowings in either the year under review, or the prior year, and have no undue concentration of repayment obligations in respect of borrowings.

Our capital expenditure of US$439m (2018: US$431m) was 9% (2018: 9%) of total revenue. We anticipate capital spend in the year ahead will be around 9-10% of total revenue, as we continue our investments in technology and innovation to secure our competitive advantage. Net capital expenditure was US$431m (2018: US$422m). Acquisition cash flow in the year totalled US$95m. In FY18, acquisition expenditure was US$169m which included the acquisition of Clarity Services, Inc.

Reconciliation of net capital expenditure

Year ended 31 March	2019 US$m	2018 US$m
Capital expenditure as reported in the Group cash flow statement	439	431
Disposal of property, plant and equipment	(13)	(26)
Profit on disposal of fixed assets	5	17
Net capital expenditure as reported in the Cash flow and Net debt summary	**431**	422

Our capital allocation framework is based on balancing a number of competing priorities – notably operating and capital investment, dividends, acquisitions and share repurchases – while targeting Net debt within the range of 2.0 to 2.5 times Benchmark EBITDA. The mix between these categories will vary over time. Acquisition opportunities are assessed against a range of metrics, including economic valuations and the earnings enhancement that they bring relative to share repurchases.

We are transforming our technology so that it becomes a business driver and a key enabler for growth. We are reinvesting in core technology, product development and data assets to accelerate our pace of innovation, and delighting customers with cutting-edge products.

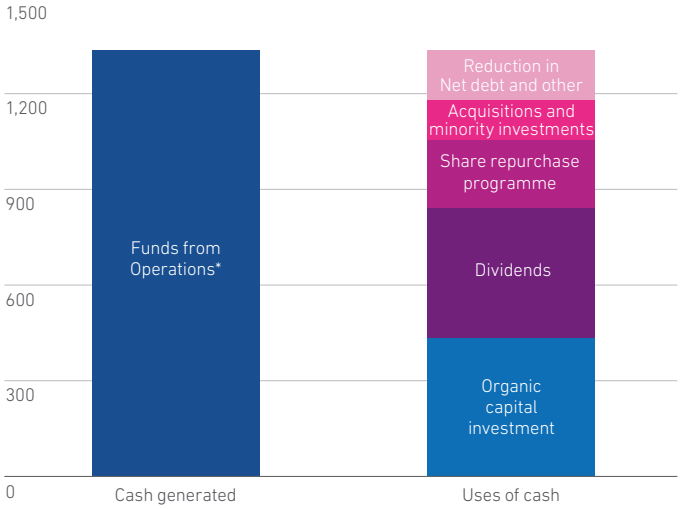
Investment activity in the year has been undertaken within our capital allocation framework. On 30 April 2019 we completed the acquisition of CSH Group (Pty) Limited in South Africa for R3,720m (c. US$263m). With its two main brands Compuscan and ScoreSharp, together we will be better positioned to help even more people and businesses across sub-Saharan Africa.

In addition, we continue to take minority investments in smaller start-ups and FinTech companies, to maximise innovation and develop our intellectual property.

This year, our net spend on share repurchases totalled US$215m (at an average price of 1,822p) and the number of shares in circulation was reduced by 5m (0.6%). During the year, the weighted average number of shares in circulation was 904m and the closing number of shares at 31 March 2019 was 901m.

The chart below shows our capital framework as executed this year.

Capital summary (US$m)



* Funds from Operations is defined as Benchmark free cash flow plus organic capital investment (capital expenditure).

IFRS 16 'Leases'

IFRS 16 will have no material impact on our financial results, reducing operating expense by around US$10m in FY20 offset by a corresponding increase in interest expense.

Following the adoption of the new standard, we expect to recognise right-of-use assets and lease liabilities of approximately US$200m on 1 April 2019. See note 4 to the Group financial statements for further detail.

Financial review continued

Net assets and ROCE summary

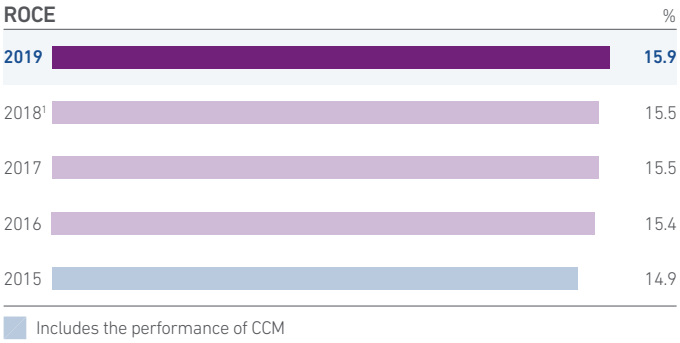
Year ended 31 March	2019 US$m	2018[1] US$m	2017 US$m
Goodwill	**4,324**	4,452	4,245
Other intangible assets	**1,474**	1,538	1,461
Other segment assets	**1,483**	1,528	1,196
Total segment assets	**7,281**	7,518	6,902
Segment liabilities	**(1,541)**	(1,636)	(1,161)
Operating segments – net assets	**5,740**	5,882	5,741
Central Activities – net assets	**300**	283	120
Net assets classified as held-for-sale	**—**	—	300
Deduct: non-controlling interest	**(14)**	(7)	(12)
Capital employed	**6,026**	6,158	6,149
Net debt	**(3,275)**	(3,408)	(3,173)
Tax	**(271)**	(273)	(337)
Add: non-controlling interests	**14**	7	12
Net assets	**2,494**	2,484	2,651
Average capital employed	**6,094**	6,003	5,704
ROCE[2]	**15.9%**	15.5%	15.5%

1 Restated for IFRS 15.

2 For definition of ROCE see opposite.

The introduction of IFRS 15 reduced net assets at March 2018 by US$140m (see note 3 to the Group financial statements) and reduced ROCE by 20 basis points. Contract assets and costs of US$205m are included in other segment assets and contract liabilities of US$550m are reported within segment liabilities at 31 March 2018. There was also a reduction of deferred tax liabilities of US$44m at 31 March 2018.

ROCE for the year ended 31 March 2019 was 15.9% (2018: 15.5%). ROCE is a post-tax measure and we use our Benchmark tax rate for ease of calculation.



1 Restated for IFRS 15.

Each of our regions has balance sheet and income statement responsibility. Further information on net assets by region is given in note 10 to the Group financial statements on page 136. There have been significant exchange effects on balance sheet line items at 31 March 2019, with details on a Group basis provided in the notes to the Group financial statements where appropriate.

Financial risk management

The key financial risks that are specific to our business are set out in the Risk management section on pages 52 to 59. We continue to assess the risk arising from the UK's referendum decision to leave the EU and have a Brexit Response programme and Steering Committee. We will consider what action is needed as more information on the impact of Brexit becomes available. We do not expect any material financial impact on the Group.

We have identified unpredictable financial markets or fiscal developments as a principal risk, including evolving tax laws and the resolution of uncertainties relating to prior year tax liabilities. Detailed narrative disclosures are contained in note 8 to the Group financial statements on pages 131 to 132, with further numeric disclosures for foreign exchange, interest rate and credit risk in notes 11, 16, 25 and 30.

Exceptional items and other adjustments made to derive Benchmark PBT

We make certain adjustments to derive Benchmark PBT. These are summarised in the table below. Note 7 to the Group financial statements explains the reasons for the exclusion from our definition of Benchmark PBT of Exceptional items and other adjustments made to derive Benchmark PBT.

Exceptional items and other adjustments made to derive Benchmark PBT

Year ended 31 March	2019 US$m	2018 US$m
Exceptional items:		
Profit on disposal of businesses	**(5)**	—
Canadian legal settlement	**—**	32
Legal provisions movements	**—**	25
(Credit)/charge for Exceptional items	**(5)**	57
Other adjustments made to derive Benchmark PBT:		
Amortisation of acquisition intangibles	**111**	112
Interest on uncertain tax provisions	**14**	20
Acquisition and disposal expenses	**24**	20
Adjustment to the fair value of contingent consideration	**16**	3
Fair value gain on step acquisition	**—**	(4)
Financing fair value remeasurements	**81**	4
Other adjustments made to derive Benchmark PBT	**246**	155
Net charge for Exceptional items and other adjustments made to derive Benchmark PBT	**241**	212

Further information on each of the Exceptional items is provided in note 15 to the Group financial statements on page 140.

Non-GAAP measures

We have identified and defined certain non-GAAP measures as the key measures used within the business by management to assess the underlying performance of the Group's ongoing businesses. The table below summarises these measures and there is a fuller explanation in note 7 to the Group financial statements on pages 129 to 130.

Benchmark PBT	Profit before amortisation and impairment charges, acquisition expenses, Exceptional items, financing fair value remeasurements, tax (and interest thereon) and discontinued operations.
Benchmark EBIT	Benchmark PBT before net interest expense.
Benchmark EBITDA	Benchmark EBIT before depreciation and amortisation.
Exited business activities	The results of businesses sold, closed or identified for closure during a financial year.
Ongoing activities	The results of businesses, which are not disclosed as exited business activities.
Constant exchange rates	Results and growth calculated after translating both years' performance at the prior year's average exchange rates.
Total growth	This is the year-on-year change in the performance of Experian's activities at actual exchange rates.
Organic revenue growth	This is the year-on-year change in the revenue of ongoing activities, translated at constant exchange rates.
Benchmark earnings	Benchmark PBT less attributable tax and non-controlling interests.
Total Benchmark earnings	Benchmark PBT less attributable tax.
Return on capital employed (ROCE)	Benchmark EBIT less tax at the Benchmark rate divided by average capital employed, in continuing operations, over the year. Capital employed is net assets less non-controlling interests, plus/minus the net tax liability or asset and plus Net debt.

Risk management

Identifying and managing risk

Identifying and managing risk is key to our business. Doing so helps us deliver long-term shareholder value and protect our business, people, assets, capital and reputation.

Our risk management governance structure

Board
Sets our overarching risk appetite and ensures that we manage risks appropriately across the Group. The Board delegates oversight of risk management activities to the Audit Committee.

Audit Committee
Regularly monitors the principal risks and uncertainties identified by our risk assessment processes, with the strategies we have developed and the actions we have taken to mitigate them. Management also continually reviews the effectiveness of our risk management system and internal control systems, which support our risk identification, assessment and reporting.

Executive Risk Management Committee (ERMC)
Comprises senior Group executives, including the executive directors and the Company Secretary. It oversees how we manage global risks.

Security and Continuity Steering Committee (SCSC)
is a sub-committee of the ERMC. Its primary responsibility is to oversee management of global information security, physical security, and business continuity risks.

Assurance Steering Committee (ASC)
is a sub-committee of the ERMC and oversees the development and implementation of the Group's assurance framework.

Tax and Treasury Committee
oversees management of financial risks, including tax, credit, liquidity, funding, market and currency risks.

Global and Regional Strategic Project Committees
ensure that we appropriately resource our strategic projects, and that they are risk assessed, and commercially and technically appraised. The committees' conclusions are then considered by the Board or relevant Group Principal Operating Subsidiary for approval.

Regional Risk Management Committees (RRMC)
oversee management of regional risks and feed up to the ERMC.

Group Operating Committee (OpCo)
The Group Operating Committee comprises our most senior executives. Its remit includes identifying, debating and achieving consensus on issues involving strategy, risk, growth, people and culture, and operational efficiency. Its meetings generally focus on the key issues facing our Group.

Executive management
Our executive management takes day-to-day responsibility for implementing the Board's policies on risk management and internal control. It designates who is responsible and accountable through the design and implementation of all necessary internal control systems, including policies, standards and guidance.

Our risk management process

The Board is responsible for maintaining and reviewing the effectiveness of our risk management activities from a strategic, financial, and operational perspective. These activities are designed to identify and manage, rather than eliminate, the risk of failure to achieve business objectives or to successfully deliver our business strategy.

The risk management process is designed to identify, assess, respond to, report on and monitor the risks that threaten our ability to achieve our business strategy and objectives, within our risk appetite.

We follow the Three Lines of Defence approach to risk management. Risks are owned and managed within the business and reviewed by our businesses at least quarterly. Global governance teams review risks and controls, including those relating to information security, regulatory compliance and business continuity. Internal Audit assesses our risks and controls independently and objectively. The results of these reviews feed into our quarterly reporting cycle.

Risk management process

Strategic risk
- Country/political
- Acquisition
- Competitor
- Business strategy
- Publicity

Financial risk
- Accounting
- Credit
- Liquidity
- Market
- Currency

Operational risk
- Technology
- Information security
- Physical security
- Compliance
- Continuity
- Third party
- People
- Process

Step 1
Risk identification
- Consider key business objectives
- Identify principal risks
- Identify key controls

Step 2
Risk assessment
- Assess controls
- Estimate likelihood, impact and velocity
- Consider legal, reputation and conduct exposure

Step 3
Risk response
- Accept or remediate current risk and control environment
- Determine corrective action if needed

Step 4
Risk reporting & monitoring
- Business unit and regional level
- RRMCs & ERMC
- Audit Committee

Three Lines of Defence

All employees have First line responsibilities

Governance teams have Second line responsibilities

Global Internal Audit has Third line responsibilities

Risk management continued

Our risk profile

Our risk identification processes follow a dual approach:

- A bottom-up approach at a business unit or country level. This identifies the risks that threaten an individual business unit activity. To provide visibility of issues across the business, we consolidate these risks at a regional and global level, then escalate to the Risk Management Committees.
- A top-down approach at the global level. This identifies the principal risks that threaten the delivery of our strategy (see below). The diagram on this page summarises our principal risk profile and trends in the threat levels (on a net/residual risk basis) since the last reporting period.

Our strategy

1 Make credit and lending simpler and faster for consumers and businesses

2 Empower consumers to control their data and improve their financial lives

3 Help businesses verify consumer identity

4 Remove complexity and increase transparency in underserved verticals

5 Enable businesses to find, understand and connect with audiences

Risk appetite

We assess the level of risk and our associated risk appetite to ensure we focus appropriately on those risks we face. We target risks for assessment based on gross risk and measure them based on net risk using a scoring methodology. We then prioritise them for mitigation. The Board and Audit Committee review the principal risks, of which there are currently ten, on an ongoing basis, as does the ERMC. The Board has defined risk appetites for certain principal risks that we face during the normal course of business. We use a variety of information sources to show if we are working within our tolerance for these risks and whether or not any of them require additional executive attention.

Principal risk profile

Our risk culture

The Board is committed to maintaining a culture that emphasises the importance of managing risk and encourages transparent and timely risk reporting. We work to align employees' behaviours, attitudes and incentives with our risk appetite and other governance and risk management policies. Our risk governance process reinforces and facilitates appropriate ownership, accountability, escalation and management of our principal risks. This process includes: well-defined roles and responsibilities across our Three Lines of Defence model; assigning accountability for risk-taking when making key business decisions; documenting clear boundaries and behavioural expectations in policies and standards; and creating an environment that reinforces adherence and accountability.

Current areas of focus

Our risk landscape is continuously changing as both business and regulatory environments evolve. The pace of change and need for greater visibility across Experian is growing and we are developing our risk practices accordingly. We are making significant progress in advancing our Three Lines of Defence model.

In addition to known risks, we continue to identify and analyse emerging ones through internal discussions in different forums, including the ERMC, and the results of these discussions are incorporated into our risk assessment process as appropriate.

We use enterprise risk management software to give managers advanced capability for monitoring their risks. We are developing this software to expand its support capabilities across various risk management activities.

Principal risks

The following pages summarise our principal risks and uncertainties with mitigating actions for each and related trends in the risk environment, as identified by the Board for the year ended 31 March 2019.

The list is not exhaustive and may change during the next financial year, as the risk landscape evolves.

In order to assess our Group's viability, the directors focused on three principal risks that are critical to our success. These are summarised below and discussed in more detail in the Viability assessment section following the description of the principal risks.

- Loss or inappropriate use of data or systems leading to serious reputational and brand damage, legal penalties and class action litigation.
- Adverse and unpredictable financial markets or fiscal developments in one of our major countries of operation, resulting in significant economic deterioration, currency weakness or restriction.
- New legislation or changes in regulatory enforcement, changing how we operate our business.

Principal risks

Loss or inappropriate use of data and systems

We hold and manage sensitive consumer information that increases our exposure and susceptibility to cyber-attacks, either directly through our online systems or indirectly through our partners or third-party contractors.

Part of the viability assessment

Risk type

– Operational

Risk movement

Decreasing

Potential impact

Losing or misusing sensitive consumer data could cause problems for consumers and result in material loss of business, substantial legal liability, regulatory enforcement actions and/or significant harm to our reputation. The impact of this risk, if it materialises, will typically be felt in the near term.

Examples of control mitigation

- We deploy physical and technological security measures, combined with monitoring and alerting for suspicious activities.
- We maintain an information security programme for identifying, protecting against, detecting and responding to cyber security risks and recovering from cyber security incidents.
- We impose contractual security requirements on our partners and other third parties that use our data, complemented by periodic reviews of third-party controls.
- We maintain insurance coverage, where feasible and appropriate.

Responsibility

Our Global Security Office sets policies and standards related to the information security programme. Every employee is ultimately responsible for following security policies and protocols.

Changes this year

External cyber security threats to businesses have increased in number and scale. We have continued to accelerate and improve our security capabilities to meet this evolving threat.

We have upgraded our cyber security culture and awareness and have good alignment of our security personnel across our Three Lines of Defence model. We have enhanced our protection, detection and response capabilities by strengthening our cyber security policies, practices and training and continue to ensure that we apply them consistently across our regions and business units. We will continue investing in the tools, people, resources and initiatives necessary for our global information security programme.

Failure to comply with laws and regulations

We hold and manage sensitive consumer information and we must comply with many privacy and consumer protection laws, regulations and contractual obligations.

Risk type

– Strategic
– Operational

Risk movement

Stable

Potential impact

Non-compliance may result in material litigation, including class actions, as well as regulatory actions. These could result in civil or criminal liability or penalties and damage to our reputation. The impact of this risk, if it materialises, will typically be felt in the near term.

Examples of control mitigation

- We maintain a compliance management framework that includes defined policies, procedures and controls for Experian employees, business processes, and third parties such as our data resellers.
- We assess the appropriateness of using data in new and changing products and services.
- We vigorously defend all pending and threatened claims, employing internal and external counsel to effectively manage and conclude such proceedings.
- We analyse the causes of claims, to identify any potential changes we need to make to our business processes and policies. We maintain insurance coverage, where feasible and appropriate.

Responsibility

Our Legal and Compliance functions work with our business units to understand the impact of relevant laws and regulations. The business units put into place appropriate procedures and controls designed to ensure compliance.

Changes this year

We have faced regulatory and government inquiries and investigations in several jurisdictions. The risk of non-compliance remains stable as a result of our mitigating controls. Over the past year, the number of US class action lawsuits has increased. While we are managing the effects associated with these investigations and lawsuits, the cost of defending litigation is rising and consequently the risk of potential liability and impact on some parts of our business still remains significant.

Non-resilient IT/ business environment

Delivery of our products and services depends on a number of key IT systems and processes that expose our clients, consumers and businesses to serious disruption in the event of systems or operational failures.

Risk type

– Operational

Risk movement

Stable

Potential impact

A significant failure or interruption could have a materially adverse effect on our business, financial performance, financial condition and reputation. The impact of this risk, if it materialises, will typically be felt in the near term.

Examples of control mitigation

- We maintain a significant level of resilience in our operations, designed to avoid material and sustained disruption to our businesses, clients and consumers.
- We design applications to be resilient and with a balance between longevity, sustainability and speed.
- We maintain a global integrated business continuity framework that includes industry-appropriate policies, procedures and controls for all our systems and related processes, as well as ongoing review, monitoring and escalation activities.
- We duplicate information in our databases and maintain back-up data centres.

Responsibility

Our corporate and business technology teams, assisted by the Business Continuity function, are responsible for maintaining appropriate primary and back-up infrastructure to minimise disruption.

Changes this year

Throughout the year we experienced isolated non-material events that tested our plans and processes.

We believe that the overall risk of non-resilient systems is stable. This is due in large part to continued enhancements to our global integrated business continuity framework and advancements in our application architecture framework.

We provide training to our key responders (recent examples include earthquake preparedness and breach response) and carry out periodic exercises to validate that our business continuity and crisis management procedures are fit for purpose. We have designed our applications using a 'build anywhere, deploy anywhere' strategy, to support portability and maximum resilience. Our approach to asset lifecycle management helps ensure that we retire and replace our technology in a timely fashion. A technology transformation initiative has been launched to maximise business value.

Principal risks continued

Business conduct risk

Our business model is designed to create long-term value for people, businesses and society, through our data assets and innovative analytics and software solutions. Inappropriate execution of our business strategies or activities could adversely affect our clients, consumers or counterparties.

Risk type

- Strategic
- Operational

Risk movement

Stable

Potential impact

Consumers or clients could receive inappropriate products or not have access to appropriate products, resulting in material loss of business, substantial legal liability, regulatory enforcement actions or significant harm to our reputation. The impact of this risk, if it materialises, will typically be felt in the short term.

Examples of control mitigation

- We maintain appropriate governance and oversight. This is achieved through policies, procedures and controls. These are all designed to safeguard personal data, avoid detriment to consumers, provide consumer-centric product design and delivery, and effectively respond to enquiries and complaints.
- The above activities also support a robust conduct risk management framework.
- We enforce our Global Code of Conduct, Anti-Corruption Policy and Gifts and Hospitality Policy. If we believe employees or suppliers are not following our conduct standards, we will investigate thoroughly and take disciplinary action where appropriate.

Responsibility

Our Compliance function sets policies and standards, including the Code of Conduct. All employees are accountable for understanding and following our conduct standards.

Changes this year

While regulators have continued to put public trust and consumer and investor protection at the centre of their mission statements and promote prudent conduct risk management, we believe our mitigation efforts have stabilised the overall risk to Experian. We periodically evaluate our policies and other protocols to ensure that we stay up to speed with external and internal expectations.

Dependence on highly skilled personnel

Our success depends on our ability to attract, motivate and retain key talent while also building future leadership.

Risk type

- Operational

Risk movement

Stable

Potential impact

Not having the right people could materially affect our ability to service our clients and grow our business. The impact of this risk, if it materialises, will typically be felt in the long term.

Examples of control mitigation

- In every region, we have ongoing programmes for recruitment, personal and career development, and talent identification and development.
- As part of our employee engagement strategy, we conduct an Annual People Survey and periodic Pulse Surveys. We track progress against our action plans.
- We offer competitive compensation and benefits and review them regularly.
- We actively monitor attrition rates, with a focus on individuals designated as high talent or in strategically important roles.

Responsibility

Our business units work with the Human Resources function to set and implement talent management strategies.

Changes this year

We have taken steps to effectively manage our ability to attract, develop and retain employee talent and believe our mitigation efforts have stabilised the overall risk to Experian.

We have been transforming our Talent Acquisition proposition to better attract talent to Experian. In the last year, we have embedded mobile-enabled technology, introduced candidate experience surveys at different stages of the hiring and onboarding process, significantly enhanced our presence on social media, implemented key performance indicators for recruiters and upskilled our capability within the Talent Acquisition team.

We monitor employee engagement through a variety of channels and have been implementing the action plans from our Annual People Surveys. We also conduct periodic Pulse Surveys. In addition to high response rates, our latest People Survey showed strong engagement and enablement scores.

Voluntary attrition rates have stabilised over the past year but continue to be a focus as the labour markets in several regions are tightening. In the UK, the impact on free movement of labour resulting from Brexit may pose a risk. We have a Brexit Response programme and Steering Committee to determine what further actions we need to take.

Adverse and unpredictable financial markets or fiscal developments

We operate globally and our results could be affected by global, regional or national changes in fiscal or monetary policies.

A substantial change in credit markets in the USA, Brazil or the UK could reduce our financial performance and growth potential in those countries.

We present our Group financial statements in US dollars. However, we transact business in a number of currencies. Changes in other currencies relative to the US dollar affect our financial results. A substantial rise in US, EU or UK interest rates could increase our future cost of borrowings.

We are subject to complex and evolving tax laws and interpretations, which may change significantly. These changes may increase our effective tax rates in the future. Uncertainty about the application of these laws may also result in different outcomes from the amounts we provide for.

We have a number of outstanding tax matters and resolving them could have a substantial impact on our financial statements, cash and reputation.

Part of the viability assessment

Risk type

- Financial

Risk movement

Increasing

Potential impact

The US, Brazilian and UK markets are significant contributors to our revenue. A reduction in one or more of these consumer and business credit services markets could reduce our revenue and profit.

We benefit from the strengthening of currencies relative to the US dollar and are adversely affected by currencies weakening relative to it.

We have outstanding debt denominated principally in euros, pounds sterling and US dollars. As this debt matures, we may need to replace it with borrowings at higher interest rates.

Our earnings could be reduced and tax payments increased as a result of settling historical tax positions or increases in tax rates.

Adverse publicity around tax could damage our reputation.

The impact of this risk, if it materialises, will typically be felt in the short to long term.

Examples of control mitigation

- We have a diverse portfolio by geography, product, sector and client. We provide counter-cyclical products and services.
- We convert cash balances in foreign currencies into US dollars.
- We fix the interest rates on a proportion of our borrowings.
- We retain internal and external tax professionals, who regularly monitor developments in international tax and assess the impact of changes and differing outcomes.
- We review contingency plans in our key markets as to specific potential responses to worsening economic conditions.

Responsibility

Our corporate and business unit finance functions monitor our external landscape, and interface with business units to develop and implement appropriate actions.

Changes this year

Global and regional economic trends and forecasts influence our capital allocation and calculated returns.

In the USA, there has been uncertainty around consumer credit trends, based on potential interest rate hikes, stock market volatility and implications from tariff and export policies.

The UK may experience recessionary pressures as a result of Brexit and the pound sterling may come under further pressure as the implications of Brexit become clearer. Internal and external discussions, and preparations continue. At this point in time, we do not expect any material financial impact on the Group.

We are monitoring the Brazilian economy and inflation to determine the impact on our business results.

Tax authorities are adopting longer and more formal processes to resolve significant outstanding matters and in some cases are challenging or overturning previously agreed positions.

Serasa S.A. has been successful in its challenges against the Brazilian tax authorities for the deduction of the initial goodwill amortisation arising from its acquisition by Experian in 2007, however there are some remaining matters that have yet to be resolved.

Historic UK tax disputes may come to final decisions in calendar years 2019 or 2020.

Proposals from several sources (e.g. the USA, the UK, and the EU) have been put forward to consider how the digital economy should be taxed. There is no international consensus so far, but an increased risk of future double taxation exists.

New legislation or changes in regulatory enforcement

We operate in an increasingly complex environment and many of our activities and services are subject to legal and regulatory influences. New laws, new interpretations of existing laws, changes to existing regulations and heightened regulatory scrutiny could affect how we operate. For example, future regulatory changes could affect how we collect and use consumer information for marketing, risk management and fraud detection. Regulatory changes could impact how we serve Consumer Services clients or how we market services to clients or consumers.

Part of the viability assessment

Risk type

- Strategic
- Operational

Risk movement

Increasing

Potential impact

We may suffer increased costs or reduced revenue resulting from modified business practices, adopting new procedures, self-regulation and litigation or regulatory actions resulting in liability or fines. The impact of this risk, if it materialises, will typically be felt in the short term.

Examples of control mitigation

- We use internal and external resources to monitor planned and realised changes in legislation.
- We educate lawmakers, regulators, consumer and privacy advocates, industry trade groups, our clients and other stakeholders in the public policy debate.
- Our global Compliance team has region-specific regulatory expertise and works with our businesses to identify and adopt balanced compliance strategies.
- We execute our Compliance Management Programme, which directs the structure, documentation, tools and training requirements to support compliance on an ongoing basis.

Responsibility

Our Legal, Government Affairs and Compliance functions work with our business units to understand the impact of relevant laws and regulations. The business units put into place appropriate procedures and controls to ensure adherence.

Changes this year

New laws, new interpretations of existing laws, changes to existing regulations and regulatory scrutiny are still increasing, especially with continued occurrences of data breaches at other organisations and a global focus on privacy and a general trend towards more consumer control over data.

In the USA, the California Consumer Privacy Act that gives consumers additional rights related to information was approved in June 2018 and will go into effect in January 2020.

In Europe, including the UK and Ireland, GDPR came into force in May 2018 and is intended to provide greater transparency and control for consumers. The EU Payment Services Directive (PSD2) requires new permissions for Experian to leverage the opportunity it creates.

In Brazil, legislation was approved in August 2018 to establish a comprehensive national data protection law that is similar to the EU's GDPR, which will take effect in August 2020.

In India, the government is seeking public comments on a data protection legislation that is similar to the EU's GDPR.

Principal risks continued

Increasing competition

We operate in dynamic markets such as business and consumer credit information, decisioning software, fraud, marketing, and consumer services. Our competitive landscape is still evolving, with traditional players reinventing themselves, emerging players investing heavily and new entrants making commitments in new technologies or approaches to our markets. There is a risk that we will not respond adequately to such disruptions or that our products and services will fail to meet changing client and consumer preferences.

Risk type

– Strategic

Risk movement

Stable

Potential impact

Price reductions may reduce our margins and financial results. Increased competition may reduce our market share, harm our ability to obtain new clients or retain existing ones, affect our ability to recruit talent and influence our investment decisions. We might also be unable to support changes in the way our businesses and clients use and purchase information, affecting our operating results. The impact of this risk, if it materialises, will typically be felt in the long term.

Examples of control mitigation

- We continue to research and invest in new data sources, analytics, technology, capabilities and talent to deliver our strategic priorities.
- We continue to develop innovative new products that leverage our scale and expertise and allow us to deploy capabilities in new and existing markets and geographies.
- We use rigorous processes to identify and select our development investments, so we can efficiently and effectively introduce new products and solutions to the market.
- Where appropriate, and available, we make acquisitions, take minority investments and enter into strategic alliances to acquire new capabilities and enter into new markets.

Responsibility

Our Corporate Development and Experian Ventures teams, as well as our business units, monitor the competitive landscape in order to develop and implement appropriate actions.

Changes this year

While the competitive risk to our business remains high, we believe our mitigation efforts have stabilised the overall risk to Experian. We are proactive in our efforts to evaluate competitors and markets, and pursue investments and enhancements to our data, analytics, technology and capabilities where appropriate and available.

Our Consumer Services business in the USA faces competition from traditional competitors as well as 'freemium' providers. We have responded by investing in our core capabilities as well as diversifying our business model through the introduction of new paid-for and free offers. In the UK, we also face expansion by new providers and we have responded to the evolving market with our own free score offer and other new propositions.

Alternative scoring models for consumer and commercial credit eligibility are beginning to enter the market through FinTech companies and others. We have invested to strengthen our analytics capabilities to pursue new opportunities and address threats. Regulators in our largest markets continue to support greater access to non-traditional data with informed consent and in compliance with existing regulations.

A group of major banks in Brazil have agreed to build a new credit bureau that will include positive data, and officially announced the brand in June 2018.

The Reserve Bank of India (RBI) announced its intention to set up a public credit registry (PCR). Any risk to Experian depends on whatever competitive stance the PCR may take with the existing private credit bureau structure in India, though this remains uncertain.

Data ownership, access and integrity

Our business model depends on our ability to collect, aggregate, analyse and use consumer and client information. There is a risk that we may not have access to data due to consumer privacy and data accuracy concerns, or data providers being unable or unwilling to provide their data to us or imposing a different fee structure for using their data.

Risk type

– Strategic
– Operational

Risk movement

Stable

Potential impact

Our ability to provide products and services to our clients could be affected, leading to a materially adverse impact on our business, reputation and/or operating results. The impact of this risk, if it materialises, will typically be felt in the long term.

Examples of control mitigation

- We monitor legislative and regulatory initiatives, and educate lawmakers, regulators, consumer and privacy advocates, industry trade groups, clients and other stakeholders in the public policy debate.
- We use standardised selection, negotiation and contracting with respect to provider agreements, in order to address delivery assurance, reliability and protections relating to critical service provider relationships.
- Our contracts define how we can use data and provide services.
- We analyse data to make sure we receive the highest quality and best value.
- We invest in programmes to enhance data accuracy and security.
- We continue to look for alternative/secondary data sources where possible.

Responsibility

Our Legal, Government Affairs and Compliance functions, as well as our business units, monitor the developments related to data ownership and access.

Changes this year

The overall trend in data collection, aggregation and use restrictions is stable.

Consumer advocates and regulators in various jurisdictions are focused on driving changes and restrictions on data collection, aggregation and use based on consumer privacy concerns, including providing greater transparency and control options for consumers.

In the USA, the Consumer Financial Protection Bureau (CFPB) has focused on data security matters in the wake of a data breach at a competitor, and there continues to be negative press surrounding the accuracy of credit bureau data. We recently introduced Experian Boost for consumers to include, on an opt-in basis, certain information from their bank accounts onto a credit report, which is particularly useful to consumers who are new to credit or have had financial challenges.

In Brazil, the Brazilian President signed the new positive data law in April 2019. The law will go into effect in July 2019 when the credit bureaux will start receiving positive data, which can then be used shortly thereafter.

In the UK and Ireland and in Europe, GDPR is intended to provide greater transparency and control for consumers. In some instances, data providers are looking to further monetise the data they provide.

Momentum towards reporting positive data continues in some jurisdictions and we are continuing to advance the importance and value of positive data in these countries.

Undesirable investment outcomes

We critically evaluate, and may invest in, equity investments and other growth opportunities, including internal performance improvement programmes. To the extent invested, any of these may not produce the desired financial or operating results.

Risk type

- Strategic
- Operational

Risk movement

Stable

Potential impact

Failure to successfully implement our key business strategies could have a materially adverse effect on our ability to achieve our growth targets.

Poorly executed business acquisitions or partnerships could result in material loss of business, increased costs, reduced revenue, substantial legal liability, regulatory enforcement actions and significant harm to our reputation.

The impact of this risk, if it materialises, will typically be felt in the long term.

Examples of control mitigation

- We analyse competitive threats to our business model and markets.
- We carry out comprehensive business reviews.
- We perform comprehensive due diligence and post-investment reviews on acquisitions and investments.
- We employ a rigorous capital allocation framework.
- We design our incentive programmes to optimise shareholder value through delivery of balanced, sustainable returns and a sound risk profile over the long term.

Responsibility

Our Corporate Development and Experian Ventures teams, as well as our business units, monitor the investments we make to ensure outcomes are in line with expectations.

Changes this year

We believe our mitigation efforts have stabilised the overall risk to Experian of undesirable investment outcomes.

We utilise an economic returns framework for both organic and inorganic investments, which focuses on risk-adjusted investment hurdles. We are also implementing policies and standards that will apply minimum requirements to our acquisition and integration processes, including enhanced information security requirements.

We are analysing competitive threats to our business model and will take advantage of acquisitions, investments and strategic partnerships, and invest in new technologies where appropriate.

Driving financial inclusion in Africa

with our acquisition of CSH Group (Pty) Limited

"Together with Compuscan and ScoreSharp our ambition is to help deliver new opportunities for consumers and lenders in Africa."

Charles Butterworth
Managing Director, UK and Ireland and EMEA

Hundreds of millions of people across Africa can't access financial services

Around 66%[1] of adults in sub-Saharan Africa are unbanked, and credit bureau coverage in the region is only 8%[1] versus the 32% global average. Accessing credit can be difficult. If it is available it may be at very high interest rates, sometimes leaving people trapped in a cycle of paying off interest without paying off debt.

Access to responsible affordable credit helps people's quality of life and opens up new opportunities for them. It allows entrepreneurs to start and grow businesses, which provide wider economic benefits.

Focusing on advancing financial inclusion

We're helping to widen financial inclusion worldwide by easing the path to first-time credit for hundreds of millions of people – and our acquisition of CSH Group (Pty) Limited, with its two main brands Compuscan and ScoreSharp, means that combined we can help even more people across Africa.

Compuscan and ScoreSharp together are one of the leading providers of credit information and decision analytics in South Africa, with operations also in Uganda, Lesotho, Namibia, Botswana and Mozambique, as well as Australia and the Philippines.

They provide marketing, loyalty and rewards, and educational services, and hold credit information on 27 million people, representing approximately 56% of the South African population.

We're combining our wide-ranging expertise, including our cutting-edge technology and product developments, with Compuscan and ScoreSharp's data and analytics expertise, market knowledge and highly experienced, strong management team to bring financial services to even more people in Africa.

Best-in-class innovative solutions benefitting more people

Together our combined operation, with its complementary assets and capabilities, can bring the latest, best-in-class, innovative solutions to sub-Saharan Africa to the benefit of consumers and small, micro and medium-sized enterprises (SMME), businesses, lenders and economies:

- Improving access to affordable, high-quality financial services and products for millions of consumers, including the underbanked/unbanked, helping to widen financial inclusion and prevent over-indebtedness.
- Providing more support for entrepreneurs and SMMEs to grow their businesses and make better financial decisions based on their specific circumstances.
- Helping financial institutions and microlenders improve their assessments of creditworthiness, access more timely information, provide better customer service and lower costs.
- Helping to stimulate economic growth and to improve the ease of doing business in a country.

1 Source: World Bank.

Strategic focus areas:

- Make credit and lending simpler and faster for consumers and businesses
- Empower consumers to control their data and improve their financial lives
- Help businesses verify consumer identity
- Remove complexity and increase transparency in underserved verticals
- Enable businesses to find, understand and connect with audiences

Viability assessment

Assessment of prospects

The context for the assessment

Our business model and strategy are central to understanding our prospects. Details of these can be found earlier in the Strategic report. We conduct a regular cycle of strategic planning, budgeting and forecasting, which considers current-year business performance and our future prospects. The process appraises Group revenue, Benchmark EBIT, cash flows, dividend cover, committed and forecast funding, liquidity positions and other key financial ratios, including those relevant to maintaining our investment-grade credit ratings. Our track record over the last decade has been consistently strong, even as changes have occurred in the economic cycle or in our senior leadership team.

Our strategic aims are to focus on our core areas of competitive strength and develop growth opportunities in our key markets. Our plans for our core operations include organic strategic initiatives and acquisitions.

The assessment process and key assumptions

There are a variety of different time horizons relevant to assessing our prospects. Some of these are highlighted in the chart below.

We have used a three-year timeline when considering viability because we believe our three-year financial planning process is key, and we focus our most detailed efforts on it.

We assess our prospects through our planning process and annually review our growth expectations and the external environment, as part of the strategic planning process. The Board participates in this process, using the January Strategy meeting each year to focus on our strategy. We then develop our annual budget plus a further two-year financial plan.

The key assumptions in the latest financial forecasts, presented to the March 2019 Board meeting, reflect the approved strategy. They include:

- good Benchmark EBIT growth at constant exchange rates
- continued strong cash flow conversion
- leverage ratio (Net debt/Benchmark EBITDA) in the range of 2.0 to 2.5
- broadly stable effective tax rates (before the impact of changes of legislation) over the medium term
- use of excess cash for acquisitions and shareholder returns.

The table of principal risks earlier in the Strategic report summarises the risks that could prevent us from executing our strategy. As explained below, we have considered a number of these risks as part of our assessment of our viability.

Time horizons affecting prospects

Viability assessment continued

Assessment of viability

Although principal risks all have the potential to affect future performance, only certain scenarios are considered likely to have the potential to threaten our viability. We have quantified the financial impact of these 'severe but plausible' scenarios and considered them alongside flexed versions of our three-year cash projections. These have been stress-tested to determine the effects on trading cash flows or the impact of 'severe but plausible' scenarios, both individually and collectively, taking into consideration mitigating actions.

The scenarios tested included:

- loss or inappropriate use of data or systems leading to serious reputational and brand damage, legal penalties and class action litigation. We assessed the maximum credible extent of a data breach and modelled the likely financial impacts through loss of revenue, dispute and regulatory actions, and the costs of remediation
- adverse and unpredictable financial markets or fiscal developments in one of our major countries of operation, resulting in significant economic deterioration, currency weakness or restriction. Specific consideration has again been given to modelling the effect of a hard Brexit
- new legislation or changes in regulatory enforcement, changing how we operate our business.

In making their assessment, the directors have taken account of the strongly cash-generative nature of our business, our robust capital solvency position, our ability to raise new finance in most market conditions, and potential mitigating actions, such as restricting acquisitions, capital investment and, in extreme scenarios, reducing dividend payments.

The results of the stress-testing showed that, due to our diversified nature, the resilience of the core business, its substantial free cash flows and its strong investment-grade rating, we would withstand the considered scenarios, were these to occur during the forecast period, assuming mitigating actions were taken.

Viability statement

Based on their assessment of prospects and viability, the directors confirm that they have a reasonable expectation that the Group will be able to continue in operation and meet its liabilities as they fall due over the three-year period ending 31 March 2022. Looking further forward, the directors have considered whether they are aware of any specific relevant factors beyond the three-year horizon that would threaten the long-term financial stability of the Group over a ten-year period and have confirmed that they are aware of none.

Strategic report

This Strategic report was approved by a duly authorised committee of the Board of directors on 14 May 2019 and signed on its behalf by:

Charles Brown
Company Secretary

14 May 2019

Governance

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Chairman's introduction

"Good corporate governance is key to promoting long-term sustainable success for the benefit of our shareholders, and for building and maintaining relationships with stakeholders."

Don Robert
Chairman

Application of the UK Corporate Governance Code

The UK Financial Reporting Council (FRC) promotes high-quality corporate governance and reporting through the UK Corporate Governance Code, which all companies with a premium listing on the London Stock Exchange are required to either comply with in full, or explain why, and to what extent, they do not fully comply ('comply or explain'). The Governance section of this Annual Report explains how the Code principles have been applied, as set out below:

Leadership

Read more about Leadership on **pages 66 to 72** where you can find details of the Board and its governance structures

Effectiveness

Pages 73 to 78 describe Board and committee evaluations, and the induction and ongoing training of directors

Accountability

The role of the Board in this area can be found on **pages 79 to 84**, and the Strategic report contains further detail on the Group's strategic objectives and the principal risks and uncertainties

Relations with shareholders

You can find this detail, and information regarding wider stakeholder engagement, on **page 85**

Remuneration

The Report on directors' remuneration and a report on the activities of the Remuneration Committee during the year are found on **pages 86 to 103**

I'm very pleased to present the Corporate governance report for the year ended 31 March 2019. This report provides an overview of how Experian is governed and the control structures that we have in place. The Board is responsible for long-term sustainable success, generating value for shareholders and contributing to wider society. The Board does this by supporting and challenging executive management to ensure we operate with the highest governance standards. This report explains how we seek to achieve this. It also contains some highlights from my perspective as Chairman.

Board composition

In addition to changes in the preceding financial year, there have been changes to Board composition during the year. The purpose of the changes is to ensure replacement of key skills and experience following director retirements and to enhance the strength of the Board, while also considering Board diversity.

Following his appointment to the Board in July 2017, and having served on the Remuneration Committee for twelve months in line with best practice governance, Mike Rogers took over as Committee Chairman during the year, succeeding Roger Davis. Dr Ruba Borno was appointed as a director on 1 April 2018, bringing advanced technologies expertise, and a focus on supporting businesses in strategically adapting to technology threats and opportunities.

At the AGM in July 2019, Paul Walker intends to retire as a director, following the completion of his third three-year term as a non-executive director.

We announced in December 2018 that I will step down as Experian's Chairman, either at the AGM in July 2019 or later, if a successor has not been appointed by that time. As I said at the time of our announcement, it truly has been a privilege to be part of such a great organisation, in many different roles, over such a long time period, but I know Experian is well placed for the future.

We continue to evaluate and, as appropriate, act on developments and guidance regarding Board composition, including diversity. Following the Board changes that will take effect at the 2019 AGM, at least 30% of the Board will be women, which compares favourably to the recommended target of 33% by 2020 in the Hampton-Alexander Review.

The work of the Nomination and Corporate Governance Committee, whose primary focus over recent months has been on Chairman succession, is described on pages 73 to 76.

Board evaluation

The last two Board evaluations have been internally facilitated, following a three-year cycle established in 2015. This year's results and the agreed areas of focus for the Board are described on pages 76 to 77. The Board will ensure that these focus areas are acted upon to further improve Board performance. In line with the UK Corporate Governance Code, the last external evaluation was conducted in FY17 and the next is due in FY20. The focus and specific timing for this evaluation will be considered by the new Chairman once appointed.

Corporate governance

The main corporate governance development this year was the publication in July 2018 of the new UK Corporate Governance Code (Code). The new Code will apply to Experian for the financial year ended 31 March 2020. The Board and the Nomination and Corporate Governance Committee have reviewed the new Code and discussed management recommendations on how best to implement it. It was pleasing that, although the new Code was at first sight a significant departure from previous Codes, a lot of its content was already being covered or reviewed in some way by the Board or within the business. Through this Annual Report, we have made every effort to disclose, voluntarily and early, under the new Code principles or provisions, and signpost what we intend to do towards full compliance next year.

For example, you will read in the Report on directors' remuneration about our plans regarding workforce engagement and how we intend to monitor workforce policies and practices to ensure they are consistent with Experian's values. Later in this report, we also describe how the Board reviews and monitors Experian's culture, including a description of the Board's visit to our North America operational headquarters in Costa Mesa, California. The Board believes that these visits are an important way to experience 'culture in action'.

Board site visits

Opportunities to visit our operations globally and learn more about the business continue to be very important and valuable for the Board, and new members in particular, as they offer the opportunity for directors to understand operations, performance and challenges in a regional context. Board members also get a chance to engage with local employees in different roles at different levels of seniority and from varying backgrounds. This aspect of Board visits provides real insight into the culture of the business. You will read more about visits to the business, in particular in March 2019, to Costa Mesa, California, on page 78.

Committee governance

Within this report and the Report on directors' remuneration, the chairs of the Nomination and Corporate Governance Committee, Audit Committee and Remuneration Committee (George Rose, Deirdre Mahlan and Mike Rogers respectively) report personally on the activities of each of their committees during the year. The process we have in place, which involves Board committee meetings taking place around the same time as Board meetings, is an important feature in ensuring that matters receive the required attention in a timely manner. I would like to thank the Committee chairs for the work they have done during the year.

Wider society

An updated principle in the new Code confirms that the Board has a role in ensuring that the Company is contributing to wider society. As described in the Our people and corporate responsibility section of the Strategic report, Experian has many initiatives in place to deliver our purpose of creating a better tomorrow for consumers, clients, our people and our communities. The Board receives a detailed update annually, from the Global Head of Corporate Responsibility. The Board reporting for each scheduled meeting also includes a corporate responsibility update from the Chief Executive Officer, Brian Cassin.

Statement of compliance

For the year ended 31 March 2019, the Company complied with all the provisions of the UK Corporate Governance Code (as published in April 2016), the FCA's Disclosure Guidance and Transparency Rules sourcebook sections 7.1 and 7.2 (which set out certain mandatory disclosure requirements), the FCA's Listing Rules 9.8.6R, 9.8.7R and 9.8.7AR which include the 'comply or explain' requirement and, on a voluntary basis, the UK Department for Business, Energy and Industrial Strategy (BEIS) Directors' Remuneration Reporting Regulations and Narrative Reporting Regulations. These documents are publicly available as follows:

- The Code can be found at www.frc.org.uk
- The FCA's Disclosure Guidance and Transparency Rules sourcebook as well as Listing Rules can be found at www.handbook.fca.org.uk
- The BEIS Directors' Remuneration Reporting Regulations and Narrative Reporting Regulations can be found at www.gov.uk

In addition, the FRC Guidance on Risk Management, Internal Control and Related Financial and Business Reporting can be found at www.frc.org.uk.

Conclusion

I hope you find this report helpful and informative in understanding governance at Experian. I encourage all shareholders to vote their shares in favour of all resolutions to be considered at our AGM in July 2019, even if you are unable to attend in person. This will allow us to gain a better understanding of the views of our shareholders.

Experian corporate website

The Experian website **www.experianplc.com** contains additional information about our corporate governance:

- Terms of reference of the principal Board committees
- The schedule of matters reserved to the Board
- The Chairman's and the CEO's split of duties, and the duties of the Senior Independent Director
- The Company's memorandum and articles of association
- Details of AGM proxy voting by shareholders, including votes withheld

Board of directors

Don Robert (59)
Chairman

Au Re **Nm**

Appointed to the Board on 6 July 2006, and as Chairman on 16 July 2014. Don will step down at the later of the conclusion of the 2019 AGM, or when a successor is in place.

Other current roles: Don is Chairman of the London Stock Exchange Group plc.

Skills: Don has extensive international business expertise, as well as more recent regulatory and technology knowledge gained from his London Stock Exchange and previous Bank of England roles. He ensures that the Experian Board culture is one of robust debate, openness and transparency.

Experience: Prior to appointment as Chairman, Don was Experian's Chief Executive Officer and previously Chief Executive Officer of Experian North America, giving him a deep insight into the Experian business. He previously held senior roles at The First American Corporation and was President of Credco, Inc., former chairman of the US Consumer Data Industry Association, trustee of Sage Hill School, California, a director and trustee of the UK National Education and Employer Partnership Taskforce, a non-executive Director (and Senior Independent Director) of Compass Group PLC, and a Member of Court of the Bank of England.

Brian Cassin (51)
Chief Executive Officer

Au Re Nm

Appointed to the Board as Chief Financial Officer on 30 April 2012, and as Chief Executive Officer on 16 July 2014.

Other current roles: Brian is a non-executive director of J Sainsbury plc.

Skills: Brian brings strong leadership, a clear view of strategic objectives and decisive management skills to this role. He also has strong financial and commercial acumen and a broad range of operational competencies. His non-executive role augments his strong board-level experience.

Experience: Brian was previously the Chief Financial Officer of Experian and, before that, Managing Director at Greenhill & Co. He has also held various senior roles at Baring Brothers International and the London Stock Exchange.

Lloyd Pitchford (47)
Chief Financial Officer

Au Re Nm

Appointed to the Board on 1 October 2014.

Other current roles: Lloyd is a non-executive director (and chairs the Audit Committee) of Bunzl plc.

Skills: Lloyd is a qualified accountant. He holds an MBA and has deep financial and strategic experience, built up through a career working in complex, growth-oriented, global organisations operating across a range of industries and responsibilities. He brings additional perspectives to Experian from his non-executive role with Bunzl plc.

Experience: Before joining Experian, Lloyd held a wide portfolio of finance and operational responsibilities, as Chief Financial Officer of Intertek Group plc, in senior finance positions (including Group Financial Controller) at BG Group plc, and in financial and commercial roles at Mobil Oil.

Kerry Williams (57)
Chief Operating Officer

Au Re Nm

Appointed to the Board on 16 July 2014.

Other current roles: Kerry is a Board member of Pacific Mutual Holding Company, and the US Institute for Intergovernmental Research.

Skills: Kerry holds an MBA qualification and has built up a significant and deep knowledge of Experian's global business and operations, through the leadership roles he has held. He brings to Experian and the Board a wide range of skills from his broad background in the financial services industry and his non-executive roles.

Experience: Kerry's roles at Experian have included Group Deputy Chief Operating Officer, President of Credit Services, President of Experian Latin America, and Group President of Credit Services and Decision Analytics, Experian North America. Previously, he was President at ERisk Holdings Incorporated, Senior Vice President/ General Manager at Bank of America and held senior management positions at Wells Fargo Bank.

Luiz Fleury (62)
Non-executive director

Au **Re** **Nm**

Appointed to the Board on 8 September 2015.

Other current roles: Luiz is a Board member of FHV Holdings Ltda and Carrefour Brazil (the trading name of Atacadão S.A.).

Skills: Luiz has spent most of his career in financial services and has extensive insight and deep local knowledge of the Brazilian financial market. His considerable boardroom experience adds to the strength, depth and effectiveness of our Board.

Experience: Luiz has held Chief Executive roles at Cetip S.A., Banco Ibi and Redecard, together with senior finance and investment positions at Banco Citibank S.A., Banco Marka S.A. and C&A Brenninkmeyer Brasil. Luiz was President and a member of the Executive Board at Cetip S.A., and a Board member of Grupo Sequóia de Logística, Eneva S.A., Discount Malls do Brasil and Banco Ibi.

Deirdre Mahlan (56)
Non-executive director

Au **Re** **Nm**

Appointed to the Board on 1 September 2012.

Other current roles: Deirdre is President of Diageo North America.

Skills: Deirdre is a qualified accountant with an MBA and has many years' experience in senior finance roles. Her financial expertise and experience ensure effective leadership of our Audit Committee. Deirdre also brings her previous board-level experience with Diageo plc.

Experience: Deirdre has held senior finance roles, including Chief Financial Officer, Deputy Chief Financial Officer, Head of Tax and Treasury at Diageo plc, Senior Vice President, Chief Financial Officer at Diageo North America, and Vice President of Finance at Diageo Guinness USA, as well as various senior finance roles in Joseph Seagram and Sons, Inc. and PwC.

Mike Rogers (54)
Non-executive director

Au **Re** **Nm**

Appointed to the Board on 1 July 2017.

Other current roles: Mike is a non-executive director of The Royal Bank of Scotland Group plc (and chairs its Group Sustainable Banking Committee, and sits on the Group Performance and Remuneration Committee) and the non-executive Chairman of Aegon UK.

Skills: Mike brings over 30 years of banking and financial services experience, with a reputation for strategic insight and focused execution. His current and previous board-level experience, both executive and non-executive, is of huge value to the Experian Board.

Experience: Mike was Group Chief Executive Officer of LV= Group from 2006 until 2016, growing that organisation into a significant player in the life and general insurance market. Before that, Mike was with Barclays plc for over 20 years, holding a number of senior roles, most recently as Managing Director, UK Retail Banking. He was previously a non-executive director of the Association of British Insurers.

George Rose (67)
Deputy Chairman and Senior Independent Director

Au **Re** **Nm**

Appointed to the Board on 1 September 2012, and as Deputy Chairman and Senior Independent Director on 16 July 2014.

Other current roles: George is Senior Independent Director (and Audit Committee Chairman) of Genel Energy plc, and a non-executive director of EXPO 2020 LLC.

Skills: George is a qualified accountant, whose career has included several high-level finance positions. As well as this financial expertise, he adds to the collective strength of the Board thanks to the numerous non-executive positions he has held with leading companies.

Experience: George was Group Finance Director at BAE Systems plc (where he was a Board member), and held senior finance positions at Leyland DAF plc and Rover Group. He was a non-executive director of National Grid plc, SAAB AB, Orange plc and Laing O'Rourke plc (where he also chaired the Audit Committee) and has also been a member of the UK Industrial Development Advisory Board.

Dr Ruba Borno (38)
Non-executive director

Au Re Nm

Appointed to the Board on 1 April 2018.

Other current roles: Ruba is a Vice President and General Manager at Cisco, and sits on the Board of The Tech Museum of Innovation in Silicon Valley.

Skills: Ruba holds a Ph.D., a Master of Science in Electrical Engineering, and a Bachelor of Science in Computer Engineering. She was an Intel Ph.D. fellow at the National Science Foundation's Engineering Research Center for Wireless Integrated MicroSystems. She brings advanced technologies expertise to Experian, and we benefit greatly from her focus on supporting businesses in strategically adapting to the threats and opportunities created by technology, as well as pushing disruptive technology to create new opportunities.

Experience: Ruba was previously at The Boston Consulting Group (BCG), where she specialised in helping enterprises through complex technology transformations, and was also a leader in BCG's Technology, Media & Telecommunications, and People & Organization practice groups.

Caroline Donahue (58)
Non-executive director

Au Re Nm

Appointed to the Board on 1 January 2017.

Other current roles: Caroline is on the Board of GoDaddy Inc., Emerge America, and the Computer History Museum. She is also on the Executive Committee of Northwestern C100, and is a mentor for She-Can.

Skills: Caroline brings extensive experience of international markets and technology as well as knowledge of consumer sales and marketing, innovation and consumer-centricity. The Board also benefits from her insight and extensive experience in mass-market, digital, multi-channel and business-to-consumer distribution, marketing, and brand and sales management.

Experience: Caroline previously held roles at Intuit where she was Executive Vice President, Chief Marketing and Sales Officer; Senior Vice President, Sales and Channel Marketing; Vice President and Director of Sales. She also held sales and channel management roles at Knowledge Adventure, NeXT Computer and Apple, Inc.

Paul Walker (61)
Non-executive director

Au Re Nm

Appointed to the Board on 1 June 2010. Paul will step down at the 2019 AGM.

Other current roles: Paul is the non-executive Chairman of Ashtead G roup plc and Halma plc, and a director of Sophos plc.

Skills: Paul spent 16 years as Chief Executive Officer of The Sage Group plc, giving him a great understanding of the challenges of running a global business. He is an economics graduate and chartered accountant, with a strong financial background and high-level non-executive experience, which adds to the Board's strength.

Experience: Paul's roles at Sage included Chief Executive Officer, Finance Director and Financial Controller. He has also been non-executive Chairman of WANdisco plc and Perform Group Ltd, a non-executive director at Diageo plc and MyTravel Group plc, and Chair of the Newcastle Science City Partnership.

Company Secretary: Charles Brown FCIS

Independent Auditor: KPMG LLP, Chartered Accountants and Recognized Auditor

Au Member of the Audit Committee

Re Member of the Remuneration Committee

Nm Member of the Nomination and Corporate Governance Committee

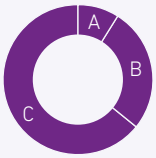
Committee Chairman

Board composition

As at the date of approval of the Annual Report

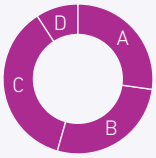
Balance of executive and non-executive directors

A Chairman – 9%
B Executive – 27%
C Independent non-executive – 64%



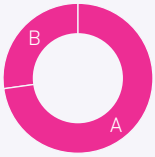
Length of tenure of directors

A 1 to <3 years – 3
B 3 to <6 years – 3
C 6 to <9 years – 4
D 9+ years – 1



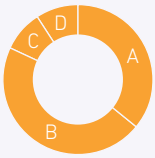
Balance of male and female directors

A Male – 73%
B Female – 27%



Ethnic heritage

A North American – 36%
B European – 46%
C Middle Eastern – 9%
D South American – 9%



Non-executive director skills

A Financial services – 19%
B Technology/ Information – 24%
C Manufacturing/Large projects – 6%
D Serving listed company executive – 13%
E Consumer – 13%
F Consumer packaged goods – 6%
G Financial qualifications – 19%

Corporate governance report

Board

Composition

The Board currently comprises the Chairman, Don Robert, three executive directors and seven independent non-executive directors, including the Deputy Chairman, George Rose.

In December 2018, we announced that Don Robert intends to step down as Chairman and as a director of Experian plc at the later of the conclusion of the AGM of the Company to be held in July 2019 or when a successor is in place. The Nomination and Corporate Governance Committee report describes the work done to date by the Committee for Don's replacement.

In addition, Paul Walker will step down as non-executive director with effect from the conclusion of the AGM in July 2019, having served on the Board for nine years.

The directors' biographical details are set out on pages 66 to 67.

Role

The Board is responsible for the leadership of the Group. Its role is to promote long-term sustainable success, generate value for our shareholders and contribute to wider society. The Board sets the Group's strategy, as well as its purpose and values, ensures the necessary resources are in place and that there is cultural alignment. In January each year, senior management presents the proposed strategic plan to the Board. This takes place over two days and allows the Board to critically assess the proposed strategy with management, before considering it for approval. The strategic framework considered by the Board includes details of the foundations that allow us to deliver our growth aspirations, for example embedding a high-performance culture, ensuring sustainability through strong client relationships and reinvestment following productivity improvements. The Board also monitors strategy and major initiatives throughout the year (as indicated on the Strategic planning process chart).

The budget discussions in March each year ensure that we have the right resources to deliver the agreed strategy. These discussions include detailed focus on both regional and global business budgets.

The Board continually monitors management and financial performance against the Group's objectives. To enable it to do this, the Board receives updates on operational and financial matters as well as any major initiatives underway, at and between every scheduled Board meeting. The Board also conducts post-investment reviews on an agreed timeline, for any acquisitions it has previously approved.

The Board is responsible for establishing procedures to manage risk, overseeing the internal control framework, and determining the nature and extent of the principal risks the Company is willing to take to achieve its strategic objectives. You can read more about this later in the Audit Committee report.

The Board delegates management of the Group's day-to-day activities but is accountable to shareholders for delivering financial performance and long-term shareholder value. To achieve this, the Board has put in place a framework of controls, including clear and robust procedures and delegated authorities, which enables the Group to appraise and manage risk effectively. This framework is illustrated in the Governance framework diagram opposite on page 69.

In addition, the Board makes decisions about certain key activities, including:

A. **Strategy and management** – approval and oversight of Experian's long-term objectives and commercial strategy, approval of annual operating and capital expenditure budgets, and oversight and monitoring of operations.

B. **Structure and capital/Financial reporting and controls** – changes in the Group capital or corporate structure. Approval of the Group's results, dividends, dividend policy, significant changes in accounting policy, tax policy and treasury policy.

C. **Contracts** – approval of major or strategic capital projects, and major acquisitions and disposals.

D. **Communication** – approval of key stakeholder documents, circulars, prospectuses, and reviewing investor sentiment.

E. **Board membership/Delegation of authority/Corporate governance/Policies** – approval of changes to Board composition, ensuring adequate succession planning, reviewing reports from Board committees, reviewing governance arrangements, and approval of various policies.

Details of the activities of the Board during the year under these headings are on page 72. A high-level statement of the types of decisions that have been delegated by the Board is shown in the 'Governance framework' diagram.

Strategic planning process

* Including two days of strategy presentations.

Governance framework

Global Delegated Authorities Matrix

This key document comprises the schedule of matters reserved to the Board, the Board committees' terms of reference and the authority levels for the Group's principal subsidiaries, directors and senior executives. For matters not reserved to the Board, the matrix prescribes the cascade of authorities delegated throughout the Group by respective Group companies, together with their monetary limits. The matrix is reviewed and refreshed regularly and the Board monitors the exercise of delegations to the Group's principal subsidiaries, which are reported to it at each Board meeting. Regional matrices are also in place.

Delegated authority flow

Board

See Board of directors on pages 66 to 67

Principal subsidiaries

These are Group companies to which the Board has delegated certain decision-making powers, for example implementing decisions agreed in principle by the Board; executive management of the operations of the Group within the strategy and budget approved by the Board; acquisitions and disposals with a value up to US$20m, and capital expenditure projects.

Executive management team

Operating businesses

Board committees

Nomination and Corporate Governance Committee

See report on page 73

Audit Committee

See report on page 79

Remuneration Committee

See report on page 86

Executive committees/functions

Group Operating Committee (OpCo)

- The OpCo comprises the most senior executives from the Group. Its remit includes identifying, debating and achieving consensus on issues involving strategy, growth, people and culture, and operational efficiency. It also focuses on ensuring strong communication and co-operative working relationships among the top team. Its meetings tend to be issues oriented and focus on selected Group issues worthy of debate.

Risk management committees (executive and regional)

- **Executive Risk Management Committee** (ERMC) comprises senior Group executives, including the executive directors and the Company Secretary. Its primary responsibility is to oversee the management of global risks. The regional risk management committees oversee the management of regional risks, consistent with Experian's risk appetite, strategies and objectives, and are comprised of senior regional leaders.
- **Security and Continuity Steering Committee** (SCSC) is a sub-committee of the ERMC. The SCSC's primary responsibility is to oversee management of global information security, physical security, and business continuity risks, consistent with Experian's risk appetite, strategies and objectives.
- **Assurance Steering Committee** (ASC) is also a sub-committee of the ERMC and oversees the development and implementation of Experian's risk management framework.

Strategic project committees (global and regional)

- These committees comprise the most senior global and regional executives. Their remit is to oversee a process to ensure that all strategic projects are appropriately resourced, risk assessed and commercially, financially and technically appraised. A similar body, the Investment Committee, performs the same function in respect of proposals regarding minority investments. Depending on the outcome of the discussions, the committees' conclusions are then considered by the board of the relevant Group company for approval.

Internal Audit

- Internal Audit conducts a range of independent audit reviews throughout the Group during the year and is represented at each Audit Committee meeting. Internal Audit's plans, results and key findings are presented to and discussed with the Audit Committee. The internal audit programme and methodology are aligned to the risk categories and risk assessment parameters established by the global risk management function. Internal Audit also makes use of risk assessment information at a business level, in planning and conducting its audits.

Corporate governance report continued

Chairman and Chief Executive Officer

There is a clear division of responsibilities between the Chairman and the Chief Executive Officer. These responsibilities, which we have formalised in writing, can be found on the Company's corporate website, www.experianplc.com, and are summarised below.

The Chairman is primarily responsible for the Board's leadership and governance, ensuring its effectiveness, setting agendas, ensuring that directors receive accurate, timely and clear information, and ensuring that there is effective communication with shareholders. He facilitates the non-executive directors' effective contribution to the Board, and ensures constructive relationships between the executive and non-executive directors.

The Chief Executive Officer, Brian Cassin, is responsible for the Group's day-to-day business, in line with the strategy, risk profile, objectives and policies set by the Board and its committees. He is accountable to the Board for the Group's development and its operations.

Senior Independent Director

The Deputy Chairman, George Rose, is also the Senior Independent Director. He is responsible for providing support and guidance to the Chairman and serves as a trusted intermediary for the other directors. He is available to meet shareholders who have concerns that cannot be resolved through discussion with the Chairman, the Chief Executive Officer or the Chief Financial Officer, or where such contact is inappropriate.

Non-executive directors

Appointment

Non-executive directors are initially appointed for three years. This may, subject to satisfactory performance and election or re-election by the shareholders, be extended by mutual agreement. They normally serve for a maximum of nine years, through three terms of three years each.

Chairman's responsibilities include:	Chief Executive Officer's responsibilities include:
Running the Board effectively and ensuring that the Board as a whole plays a full and constructive part in developing and determining the Group's strategy and overall commercial objectives.	Running the Group's business and developing the Group's strategy and overall commercial objectives.
Promoting the highest standards of integrity, probity and corporate governance throughout the Group and particularly at Board level.	Implementing, with the executive team, the decisions of the Board, its committees and the principal subsidiaries.
Ensuring that the Board receives accurate, timely and clear information on the Group's performance and its issues, challenges and opportunities.	Maintaining a dialogue with the Chairman on the important and strategic issues facing the Group, and alerting the Chairman to forthcoming complex, contentious or sensitive issues.
Ensuring effective communication with the Company's shareholders, including by the Chief Executive Officer, the Chief Financial Officer and other executive management, and ensuring that members of the Board develop an understanding of the views of the Company's major investors.	Leading the communication programme with shareholders.

Meetings of non-executive directors

In addition to attending Board and committee meetings, the non-executive directors normally meet without the executive directors at the end of each scheduled Board meeting. The non-executive directors also meet at least once a year with the Deputy Chairman, without the Chairman present, and did so once during the year to discuss matters, including the Chairman's performance.

Independence

As required by the Code, the Board considers each of the non-executive directors to be independent in character and judgment and believes there are no relationships or circumstances that are likely to affect (or could appear to affect) each director's judgment.

Conflicts of interest

The Company's articles of association allow the Board to authorise actual or potential conflicts of interest. The authorisation procedure involves Group Corporate Secretariat issuing guidance and a questionnaire each August, asking directors to identify any conflicts or potential conflicts, which the Board then considers at its September meeting. In addition, directors are expected to advise the Company Secretary of any actual or potential conflicts as soon as they arise so the Board can consider them at the next available opportunity. In the Board's view, this procedure operated effectively during the year under review.

Board members were updated during the year about the provisions of the new Code relating to new appointments, and were advised of the process to follow to ensure that other demands are considered and to allow the Company to explain the reasons for permitting significant appointments.

Board meetings

The Board meets sufficiently regularly to discharge its duties, and holds additional meetings when required, for example for a specific transaction. Each scheduled meeting is normally held over two or three days, with Board committee meetings also taking place during this time. Spending this time together further enhances the effectiveness of the Board and its committees, and contributes to the cohesive and collegiate Board culture.

The Board met at an overseas business location once this year, which allowed management and employees to present to it and to meet the directors informally. On page 78, you can find further information about the Board's visit to our North America operational headquarters in Costa Mesa, California, USA, in March 2019. The Board also spent time with the UK and Ireland, and EMEA, business representatives during the year.

* Including two days of strategy presentations.

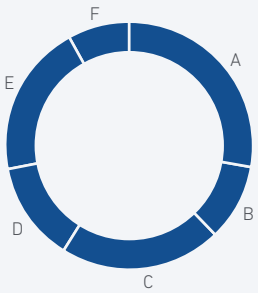
Attendance at Board and principal committee meetings

	Board	Nomination and Corporate Governance Committee	Remuneration Committee	Audit Committee
Current directors				
Don Robert	6/6 – 100%	4/4 – 100%	n/a	n/a
Brian Cassin	6/6 – 100%	n/a	n/a	n/a
Lloyd Pitchford	6/6 – 100%	n/a	n/a	n/a
Kerry Williams	6/6 – 100%	n/a	n/a	n/a
Dr Ruba Borno	6/6 – 100%	4/4 – 100%	4/4 – 100%	4/4 – 100%
Caroline Donahue	6/6 – 100%	4/4 – 100%	4/4 – 100%	4/4 – 100%
Luiz Fleury	6/6 – 100%	4/4 – 100%	4/4 – 100%	4/4 – 100%
Deirdre Mahlan	6/6 – 100%	4/4 – 100%	4/4 – 100%	4/4 – 100%
Mike Rogers	6/6 – 100%	4/4 – 100%	4/4 – 100%	4/4 – 100%
George Rose	6/6 – 100%	4/4 – 100%	4/4 – 100%	4/4 – 100%
Paul Walker	5/6 – 83%	4/4 – 100%	4/4 – 100%	3/4 – 75%
Past directors				
Roger Davis (to 18 July 2018)	1/2 – 50%	1/1 – 100%	1/1 – 100%	1/1 – 100%

Corporate governance report continued

What did the Board do this year?

The Board's key activities during the year are set out below



A	**Strategy and management**
B	**Structure and capital/Financial reporting and controls**
C	**Contracts**
D	**Communication**
E	**Board membership/Delegation of authority/ Corporate governance/Policies**
F	**Other**

Excludes strategy presentations and Board visits/updates

A. Strategy and management

- Reviewed and discussed presentations at the annual two-day strategy sessions, and approved the Group's strategy for FY20.
- Received an initiative and strategy update prior to commencement of the strategic planning cycle for the upcoming year.
- Reviewed operational and financial updates from the Chief Executive Officer, the Chief Operating Officer and the Chief Financial Officer at each scheduled Board meeting, which included updates on major initiatives, including the Group's technology transformation.
- Reviewed monthly reports, including details of performance against budget and the Group's financial position.
- Reviewed and discussed regulatory matters with the Group General Counsel at Board and Audit Committee meetings, including updates on material matters, potential impacts and plans.
- Reviewed and approved risk appetite statements for the Group.
- Continued to oversee ongoing information security initiatives, with the aim of further reducing information security risk and further improving the maturity levels of the Group.

B. Structure and capital/Financial reporting and controls

- Approved the Group's Annual Report and full-year and half-year financial results, and considered dividend payments and share purchases.
- Considered the issue of notes, the update of the Group's Euro Medium Term Note (EMTN) programme, and entry into a new US$1,950 million revolving credit facility.
- Discussed and approved the Group's budget presentation for FY20 and received updates on Group insurance and pension arrangements.
- Considered and approved the Viability statement for inclusion in the Annual Report.
- Reviewed risk reports, the appropriateness of preparing the financial statements on the going concern basis and the Audit Committee's advice on making a 'fair, balanced and understandable' (FBU) statement in the Annual Report.

C. Contracts

- Approved the acquisition of Compuscan (CSH Group (Pty) Limited), a provider of credit data and analytics services to clients, based in South Africa.
- Approved the acquisition of the Reserved Response data breach remediation business of AllClear ID in North America.
- Approved a property disposal in Brazil which, with an associated new lease, represented a further move in the Group's ambitions to be more collaborative and agile.
- Reviewed and discussed the corporate development pipeline at each Board meeting.

D. Communication

- Received an investor relations and media update at each Board meeting.
- Reviewed and discussed draft full-year and half-year financial results presentations, for analysts and institutional shareholders.
- Reviewed and discussed the 2018 investor audit, conducted by a specialist investor relations firm from May to June 2018, and noted investor sentiment regarding the Board and senior management.
- Through the Remuneration Committee, engaged extensively with shareholders on proposed remuneration arrangements for FY19 and FY20.

E. Board membership/Delegation of authority/Corporate governance/Policies

- Reviewed the Group's Gifts and Hospitality Policy, and considered the annual environmental, and health and safety, updates and approved associated policy statements.
- Reviewed Board evaluation findings and agreed areas of focus, authorised Board members' potential conflicts of interest and approved the annual election and re-election of Board members.
- Reviewed the Notice of Annual General Meeting (AGM) for issue to shareholders.
- Reviewed and discussed the annual corporate responsibility update from the Global Head of Corporate Responsibility.
- Received details of Board members' external appointments and share dealings.
- Reviewed and approved the Group's tax and treasury policies, and approved the Group's Code of Conduct.

Nomination and Corporate Governance Committee report

"As Chairman of the Nomination and Corporate Governance Committee, I'm pleased to explain how the Committee has undertaken its roles in the past year."

George Rose
Chairman of the Nomination and Corporate Governance Committee

Members

- George Rose (Chairman)
- Don Robert
- Dr Ruba Borno
- Caroline Donahue
- Luiz Fleury
- Deirdre Mahlan
- Mike Rogers
- Paul Walker

Quick facts

- George Rose has been Chairman of the Committee since July 2014, when he was appointed as Deputy Chairman and Senior Independent Director.
- The Board considers seven of the eight Committee members (including George Rose) to be independent non-executive directors, in line with the UK Corporate Governance Code.
- The Committee met four times during the year ended 31 March 2019.
- The Group Human Resources Director and the Chief Communications Officer are invited to attend certain meetings.
- The Chief Executive Officer is also invited to attend meetings, and provides valuable contributions.

Quick link

Terms of reference:
www.experianplc.com/about-us/corporate-governance/board-committees/

The Board believes that diversity, and the right combination of skills, knowledge and experience, are vital elements for an effective Board, and we monitored, reviewed and discussed these themes throughout the year.

A significant focus during the latter part of the year was the recruitment of a new Chairman to succeed Don Robert, and defining the key attributes that the Board would require, considering Experian's current opportunities and challenges, as well as Board composition. Activities included agreeing a role specification, appointing a search firm, monitoring progress and reviewing a candidate shortlist.

Other activities during the year included approval of the structure and format of the FY19 Board evaluation and considering the new UK Corporate Governance Code.

In January 2019, the Committee considered an update on the structure, size and composition of the Board and its committees, to ensure critical skills and experience are appropriately refreshed. Specifically, the Committee reviewed recent Board changes, any skills gaps, and the current Board composition (and Board members' expertise, diversity and tenure) to allow for smooth succession planning. The Committee also maintained its focus on the executive talent pool and senior management succession plans, reflecting the Board's responsibility to ensure appropriate plans are in place. An update was provided at the March 2019 Committee meeting. At that meeting, we also met with the external partner that supports Experian's talent development programmes. The Committee valued receiving this external view of this element of the Experian talent development structure, and how it influences Experian's culture.

During the year, the Committee received a number of corporate governance reform updates, most notably regarding the new UK Corporate Governance Code. We also discussed proposals for the implementation of new or updated Code recommendations.

The Committee's key roles and responsibilities

The Board strongly believes that good governance and strong, responsible, balanced leadership are critical to business success and creating long-term shareholder value and a strong, sustainable culture. As a Committee, our responsibilities include:

- Ensuring we have appropriate procedures for nominating, selecting, training and evaluating directors, and that adequate succession plans are in place.
- Reviewing the Board's structure, size, composition and succession needs, taking into account the balance of membership and the Board's required balance of skills, experience, independence, knowledge and diversity.
- Identifying and nominating, for the Board's approval, suitable candidates to fill vacancies for non-executive directors and, with the Chief Executive Officer's assistance, executive directors. Board appointments are made on merit and against objective criteria, to ensure the Board maintains its balance of skills, experience, independence, knowledge and diversity.
- Reviewing legislative, regulatory and corporate governance developments and making recommendations to the Board, and ensuring that the Company observes the standards and disclosures recommended by the UK Corporate Governance Code.

Committee activities

During the year ended 31 March 2019, the Committee:

- Discussed in detail the recruitment of a new Chairman to succeed Don Robert, agreeing a role specification that covered the main priorities and attributes of a new Chairman and the required time commitment.
- Approved at its January 2019 meeting the appointment of a search firm for the Chairman recruitment, following a number of meetings with potential candidate firms.
- Agreed the structure of the FY19 Board evaluation, and discussed and agreed the proposed Board focus areas for FY20.
- Reviewed and discussed the structure, size and composition of the Board and its committees, with key future considerations including the preferred timing for future non-executive director recruitment, required areas of expertise and Audit Committee Chairman succession.
- Considered an AGM briefing from the Company Secretary and the Chief Communications Officer, including voting results and shareholder feedback.

Nomination and Corporate Governance Committee report continued

- Recommended to the Board the directors due to retire and be considered for election or re-election at the 2019 AGM.
- Reviewed the Committee's performance against its terms of reference.
- Considered the annual company law and governance update, and reviewed and discussed the new UK Corporate Governance Code.
- Received a comprehensive update on talent management and succession planning from management, as well as a briefing from the external partner that facilitates Experian's talent development programmes.

Diversity

The Board's diversity policy is unchanged. We strongly believe that diversity throughout the Group and at Board level is a driver of business success. We respect, value and welcome diversity, including gender diversity, and seek to reflect the diversity of our clients, investors and employees in our Board. We recruit talented and diverse Board members, who have the appropriate mix of skills, capabilities and market knowledge to ensure the Board is effective. When recruiting, we look across all sectors and non-traditional talent pools, and we require diversity on our candidate shortlists.

Although we do not publish specific Board diversity targets, following the Board changes that will take effect at the 2019 AGM, at least 30% of the Board will be women, which compares favourably to the recommended target of 33% by 2020 in the Hampton-Alexander Review. We recognise the significant benefits of a diverse Board and, when recruiting, will continue to seek to address any diversity gaps on our Board, including gender and ethnicity. A graphical representation of Board ethnic heritage appears earlier in the Annual Report.

As well as the Board policy outlined above, the Group's Code of Conduct further outlines our approach and how we think about diversity. We understand the fundamental value that diversity and inclusion brings to our business, and there are many initiatives underway to create a work environment where everyone is treated with fairness and respect, has equal access to opportunities and resources, and can contribute fully to our success. At Experian, we embrace diversity and appreciate different perspectives and the unique value each employee brings. Fundamentally, we do not discriminate against anyone based on race, colour, religion, gender, sexual orientation, gender identity or expression, national origin, disability, age, covered veteran status, or any other characteristic protected by law. The Code of Conduct applies to everyone at Experian, including contractors, suppliers and others who do business with us. Contractors and suppliers performing work on behalf of Experian are expected to comply with the law and the portions of the Group's Code of Conduct that apply to them.

Culture

The role of the Board in assessing and monitoring culture has been emphasised in the new UK Corporate Governance Code, with specific recommendations that the Board assesses and monitors culture, and ensures that workforce policies, practices and behaviours are aligned with the Company's purpose, values and strategy.

The Experian Way, which lays out a globally consistent set of expectations within the business across five strategically important areas (listed below) is underpinned by the following Principles – Integrity, Fairness, Data Security and Value.

These Principles help us to create a vibrant ethical performance culture.

We believe that culture is embedded throughout an organisation, rather than, for example, in isolation within a set of Board metrics. We are confident that the information the Board and its committees review, the activities that Board members engage in, and Experian's existing structures and processes, mean that Experian and the Board are meeting the recommendations of the new Code.

The Experian Way

The Experian Way is a unique and consistent way of working globally. It informs how our people act and behave, which shapes our culture. It's defined across five key areas of strategic importance:

Delight customers
At Experian, whether your role brings you into contact with customers directly or not, all of us contribute to meeting customer needs. At the heart of what we do are the relationships we invest in and nurture.

Innovate to grow
At Experian, it's the responsibility of each one of us to find opportunities and improve the way we do things to help our business and our customers grow.

Collaborate to win
'One Experian' mindset – we work as one united team and use the combined strengths and capabilities of our people, products and services across teams, functions and regions. This translates into seamless experiences for our customers.

Safeguard our future
At Experian, each of us acts as a guardian for the protection of data, information, assets and our people to safeguard our future.

Value each other
We make Experian a great place to work. We treat each other with respect, trust and integrity.

Examples of ways that the Board monitors culture

Who	What
The Board	– Receives a report from the Chief Executive Officer before every scheduled Board meeting, which contains a culture update. – Receives updates on the results of employee surveys. – Annually reviews the Group's Code of Conduct. This explains our approach to professional and ethical standards, and ensures that Experian's employees know exactly what's expected from them in helping Experian live up to those standards. All employees must undertake annual training. – This year's Board evaluation specifically asked about culture. Board members were positive about the Board's role in monitoring culture, noting the benefit of informal as well as formal meetings with management and of visits to the business.
Board members	– Visiting overseas locations enables the Board to spend time with employees of varying seniority and assess culture in a local context. See more on page 78
Audit Committee	– Attitudes to regulators and Internal Audit can give an indication of culture. The Committee (and the Board) receives relevant updates at every meeting. Management is transparent and responsive to challenge. – Twice a year, the Committee reviews calls made to the Confidential Helpline.
Remuneration Committee	– Reviews the new 'Overview of employee pay' paper, designed to provide an overview of pay structures at Experian and their alignment with our purpose, values and strategy. This allows the Committee to ensure that relevant policies and practices are consistent with Experian's values. – It is intended that the Committee Chairman meets with the Experian People Forum in the UK every year, allowing him to assess culture. – Reviews our UK gender pay gap disclosures every year, on behalf of the Board.
Nomination and Corporate Governance Committee	– Received an update this year from the external partner who supports Experian's talent development programmes. This meeting provided an external view of Experian's culture. – Receives an update during the year from the Global Talent and Engagement Director, which this year included details of strategic priorities and progress, workforce challenges by region, progress on talent acquisition, the Experian Ambition Programme, people survey results, future workforce needs, inclusive culture, diversity and inclusion and FY20 key priorities.

Process for Board appointments

When making Board appointments, the Committee reviews and approves an outline brief and role specification, and appoints a search agent for the assignment. We disclose the name of the search agent and any other connection they have with Experian in our next Annual Report.

The Committee meets the search agent to discuss the specification and the search, then the agent prepares an initial longlist of candidates. The Committee defines a shortlist and holds interviews. Ultimately, the Committee makes a recommendation to the Board for its consideration. Following Board approval, the appointment is announced in line with the requirements of the FCA's Listing Rules. In due course, a tailored induction programme is developed for the new director.

We engaged Russell Reynolds as the specialist search firm involved with the recruitment of a new Chairman during the year. This firm also provides other executive search services to the Group.

Process for Board appointments

Step 1
Committee reviews and approves an outline brief and role specification and appoints a search agent for the assignment

Step 2
The agent prepares an initial longlist of candidates

Step 3
The Committee then considers a shortlist and we hold interviews

Step 4
The Committee makes a recommendation to the Board for its consideration

Step 5
Following Board approval, the appointment is announced in line with the requirements of the FCA's Listing Rules

Nomination and Corporate Governance Committee report continued

Board effectiveness

The Code specifies that the Board should undertake a formal and rigorous annual evaluation of its own performance and that of its committees and individual directors, and that the Board should also be evaluated by an external agent at least once every three years. This year was Year 3 of our Board's three-year review cycle, which is illustrated below. In line with this cycle, this year's Board evaluation was conducted internally. Our last external evaluation was conducted by Condign Board Consulting in 2017.

In December 2018, Board members received an online questionnaire about the Board's performance in several areas. These included: Board composition and expertise; Board dynamics; time management, agenda, agenda papers; strategic oversight; competition; operational oversight, risk management and internal control; culture; executive remuneration and technical development. The results of the evaluation, including Board members' comments in each area, were presented to the Board at its January 2019 meeting and it considered and discussed the results. In addition, the Board evaluated its performance against the areas of focus it had agreed as part of the previous year's evaluation.

The Board concluded that it operates effectively and also noted that its understanding of the competitive landscape through reporting had further improved in the period. The specific outputs of the Board discussions are listed on this page and page 77. They include both the agreed focus areas for the coming year and progress against the previous year's focus areas.

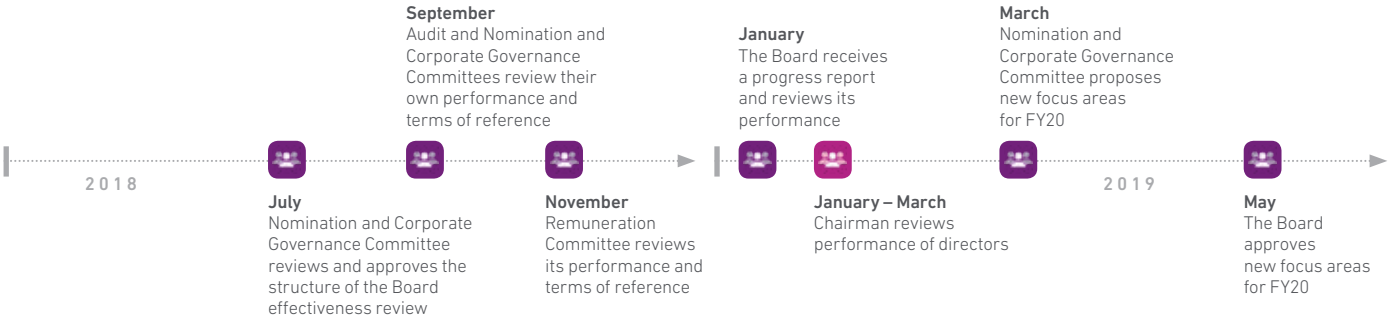
Directors proposed for re-election at the 2019 AGM met the Chairman to discuss their performance and training requirements. The Deputy Chairman and Senior Independent Director evaluated the Chairman, taking into account input from the Chief Executive Officer and the other directors. A performance evaluation discussion was included on the agendas of principal Board committee meetings in FY19, supported by an analysis of how each committee was performing against the key duties and responsibilities in its terms of reference.

Board evaluation process

Progress against the focus areas highlighted in the FY18 review

Area	Focus	Progress
Board structure and composition	The Nomination and Corporate Governance Committee will continue to review Board structure, size and composition, ensuring critical skills and experience are appropriately refreshed. Areas for consideration should include: diversity; serving executive experience; geographic representation; other identified Board skills and experience gaps; ongoing succession planning for scheduled director retirements over the coming years; and the optimal size of the Board.	– A new non-executive director (NED) was appointed, and a comprehensive induction was provided (see page 78). The Nomination and Corporate Governance Committee: – Considered three NED re-appointments and a planned NED retirement. – Considered the Chairman's succession in detail, initiated the search process, approved the role specification, received regular Chairman-search updates and reviewed lists of potential candidates. – Reviewed Board structure, size and composition in detail in January 2019, considering recent and upcoming Board changes. – Considerations in all cases included those listed under 'Focus'.
Information security risk reporting and governance	As noted in the Audit Committee report, and in light of external events in 2018, the Audit Committee Chairman commissioned a review of information security risk reporting and oversight during the year. Work will continue to further align reporting with risks and ensure that an appropriate and clear reporting framework (that identifies and adjusts for evolving risks) is embedded, to support the Board as it assesses cyber security risk and the business's response.	The Audit Committee: – Discussed proposed reporting developments with an external cyber security expert and reviewed a commissioned report. – Considered and agreed the recommendations of the external expert, including the adoption of an external cyber security reference framework (alongside existing maturity scoring). – Monitored the evolution of the enhanced reporting at each meeting.
Corporate governance developments	The Nomination and Corporate Governance Committee has spent a lot of time this year considering various corporate governance developments that have the potential to impact the Group. The Committee (and the Board) will maintain its focus on these developments, making any necessary changes in relation to the new Code.	– The Nomination and Corporate Governance Committee received and considered a briefing from the Company Secretary on the new UK Corporate Governance Code. – The Committee reviewed and agreed a series of recommendations for implementation of the new Code. – The Remuneration Committee considered remuneration-specific recommendations. – The Board and its principal committees will consider required changes in readiness for the new Code (for example, updating terms of reference and letters of appointment).

Board, committee and director evaluation process



FY20 Focus areas highlighted in the FY19 review

Area	Focus
Board structure and composition	– Ensuring that the new Chairman has the right competencies and attributes for Experian is very important. The recruitment into this important role, and subsequent induction of the new Chairman to the business, will be the Board's top priority. – The Nomination and Corporate Governance Committee will also continue to evaluate the structure, size and composition of the Board, considering the feedback received from Board and committee members.
Risk management	– In line with the new UK Corporate Governance Code's additional emphasis on 'emerging risk', it has been agreed to continue to develop existing reporting, including the identification of near-, medium- and longer-term emerging risks. Other specific comments of Board members will be incorporated into relevant risk updates to the Audit Committee, as appropriate.
Board papers and presentations	– Recognising the overall high quality of the information provided to the Board and its committees, this will be reviewed with a view to better supporting the efficient operation of the Board and its committees, by potentially reducing the length of papers and presentations, and eliminating unnecessary duplication.

Induction and training

The Company has procedures to ensure newly appointed directors receive a formal induction, involving meetings with senior executives and functional leaders. A tailored induction programme is designed for each new non-executive director who joins the Board, to ensure they are equipped with a foundation of knowledge and materials necessary to add value. Individual induction programmes are usually completed within the first six months of a director's appointment and the Company Secretary provides assistance and support throughout the induction process. The programmes are reviewed regularly to take into account directors' feedback and are continually updated and improved.

As well as visits to the business (such as the March 2019 visit to our North America operational headquarters in Costa Mesa, California described on page 78), the Board also receives requisite and appropriate updates throughout the year.

This year, sessions included:

- Updates to the Audit Committee on new accounting standards and their potential impact on Experian as well as on developments in the audit industry.
- A Nomination and Corporate Governance Committee session with the external consultant who supports Experian's high-performance programmes.
- An external update to the Remuneration Committee on trends in remuneration and corporate governance.
- An update to the Audit Committee from the external consultant that was engaged to review Board-level information security and cyber security reporting – an agreed area of Board focus for the year.

In September 2018, the Board spent time with the UK and Ireland and EMEA business representatives and attended presentations on these regions' innovation and transformation agendas. Board members also met employees in different roles and at different levels. This gave Board members a good opportunity to assess the talent within the business and experience our culture.

Board support

The Group Corporate Secretariat, under the leadership of Charles Brown, the Company Secretary, provides administrative and logistical support to the Board. The Company Secretary's responsibilities include:

- corporate governance, statutory, listing, prospectus and disclosure guidance and transparency rules compliance and reporting.
- shareholder services.
- corporate responsibility

He is secretary to the Board, its principal committees and the Global Strategic Projects Committee, and is a member (and secretary) of the Group Operating Committee.

All directors receive financial and operational information each month, to help them discharge their duties. Board papers are circulated at least one week before each Board meeting, to ensure directors have time to review them before meetings.

Directors have access to independent professional advice at the Company's expense, if they consider it appropriate. No director obtained any such advice during the year ended 31 March 2019.

Director induction:
Dr Ruba Borno

"A robust induction and site visits are an integral part of performing your duties as a director. They are invaluable in enabling Board members to develop a greater understanding of the opportunities and challenges affecting the business. In turn, that helps inform discussion around the Board table."

Dr Ruba Borno
Non-executive director

Dr Ruba Borno joined the Board in April 2018 and received an extensive and thorough induction which started ahead of her appointment. She began her induction with a tour and demonstrations in our San Diego DataLab, followed by a day in Costa Mesa (our North America operational headquarters) where she received an introduction to Experian North America and the Group's businesses. This consisted of meetings with the Chief Executive Officer, North America and presentations from the leaders of Consumer Information Services, Decision Analytics, Experian Information Technology Services, Experian Consumer Services, Business Information Services, Health and Targeting.

At the time of her first Board meeting in May 2018, Ruba received a number of induction presentations, and met with senior management from various Group functions. Overall, the induction was tailored to complement her experience in the areas of technology and transformation, and included matters relevant for a director of a UK-listed company. Topics covered included: Group Finance; Audit; Internal Audit; Human Resources; Strategy and Organisation; Global Sales; Investor Relations; Experian's history, culture and values; and Legal, Government Affairs, Compliance and Risk Management (including the various regional frameworks the Group utilises).

Ruba also reviewed corporate responsibility matters with the Global Head of Corporate Responsibility, and met the Company Secretary and external counsel, who explained the obligations involved in being a director of a UK-listed company, and the relevant rules, regulations, and supporting governance processes at Experian. A session on strategic planning and corporate development was also held at this time.

Ruba's induction concluded in July 2018.

Board visit:
Costa Mesa

In March 2019, the Board spent time at our North America operational headquarters in Costa Mesa, California. The itinerary for the visit was split between formal Board and committee meetings, product demonstrations, business updates and engagement events with employees.

Audit Committee and Board meetings were held on the morning of Tuesday, 19 March 2019, after which Craig Boundy (Chief Executive Officer, North America), Brian Herb (Chief Financial Officer, North America) and Justin Hastings (HR Director, North America) provided Board members with a North America business update. This was followed by a product demonstration of Experian Boost, the new tool that allows people to increase credit scores by using positive payment history. That evening, Board members spent time with a wide range of employees from the North America business.

On Wednesday, an external speaker provided an update on financial services trends in North America and the Group General Counsel and SVP, Government Affairs gave Board members a regulatory and legislative update. Following an update and product demonstration from the Experian Health team, Board members attended a 'Power of You' lunch event attended by a large number of employees and representatives from many of Experian North America's Employee Resource Groups (ERGs). This was an enjoyable and insightful event, focused on culture, diversity and inclusion, and specifically 'bringing your whole self' to work every day. Events that afternoon included a presentation and demonstration from the San Diego DataLab and updates, including product demonstrations, from the leaders of the North America Business Information and Consumer Information Services businesses. The day finished with Board members meeting with the North America executive management team over dinner.

On the final morning of the visit, Remuneration Committee, and Nomination and Corporate Governance Committee, meetings were held before the Board members departed.

Audit Committee report

"As Chairman of the Audit Committee I am pleased to report on the Committee's activities during the year and to outline how it discharged its duties."

Deirdre Mahlan
Chairman of the Audit Committee

The Committee's overarching role is to: review and monitor the integrity of the Group's financial reporting, ensuring that any judgments made are appropriate; ensure the external auditor is independent and effective in its role, and recommend the appointment of the external auditor; and ensure that the Group has an effective internal control framework, including the risk management system. The Committee members' collective international and financial experience enables them to act effectively in these areas.

This report contains details of the significant issues we considered in relation to the financial statements and how these were addressed, and our process for concluding that this Annual Report is fair, balanced and understandable.

The Committee was in place throughout the year ended 31 March 2019.

Members

- Deirdre Mahlan (Chairman)
- Dr Ruba Borno
- Caroline Donahue
- Luiz Fleury
- Mike Rogers
- George Rose
- Paul Walker

Quick facts

- Deirdre Mahlan has chaired the Committee since January 2015. She is President of Diageo North America, a FTSE 100 company, and was previously its Chief Financial Officer. She is also a qualified accountant with an MBA.
- All members of the Committee are independent non-executive directors and the Board considers them to have an appropriate level of experience. Deirdre Mahlan and George Rose are considered to have significant, recent and relevant financial experience, in line with the UK Corporate Governance Code.
- The Committee met four times during the year, with each meeting timed to coincide with key dates in the Group's financial reporting and audit cycle.
- Regular attendees at meetings include the Chairman, the executive directors, the Group General Counsel, the Head of Global Internal Audit, the Chief Information Security Officer and representatives from KPMG LLP (the external auditor). Other invitees include the Global Head of Risk Management and the Global Head of Compliance.
- At the end of each scheduled meeting, the external auditor and the Global Head of Internal Audit meet with the Committee to discuss any matters without management being present.
- The Committee is authorised to seek outside legal or other independent professional advice as it sees fit.

Quick link

Terms of reference:
www.experianplc.com/about-us/corporate-governance/board-committees/

The Committee's roles and responsibilities

- Monitoring the integrity of the financial statements and reviewing significant financial reporting judgments contained in them.
- Reviewing internal financial controls and the Group's internal control and risk management systems.
- Reviewing the effectiveness of the audit process and the independence and objectivity of the external auditor.
- Monitoring and reviewing the effectiveness of the internal audit function.
- Developing and implementing policy on engaging the external auditor to supply non-audit services, taking into account relevant guidance.
- Approving the external auditor's remuneration and terms of engagement, and making recommendations about its re-appointment.

Committee activities

Activities of the Committee during the year ended 31 March 2019 included:

- As highlighted in the 2018 Annual Report, an agreed area of focus for this year was to review information security reporting and oversight with external experts. A review was commissioned and the Committee considered recommendations from the consultant who carried it out. The updated reporting (including enhanced reporting under an additional external cyber security reference framework) is being monitored by the Committee.
- Review of an information security update from the Chief Information Security Officer at each scheduled meeting. This is a standing item on the Committee agenda, given its importance to the Group.
- Review of: the preliminary and half-year results announcements and the Annual Report; year-end and half-year accounting papers; papers supporting the preparation of financial statements on the going concern basis; papers supporting the making of a viability statement recommendation to the Board; and papers supporting the making of management representations. For more information on the matters considered in relation to the going concern assessment, please see note 2 to the Group financial statements.
- Review of the Annual Report to ensure it was fair, balanced and understandable and provided information enabling an assessment of Experian's position and performance, business model and strategy.

Audit Committee report continued

- Discussion of the 2019 external audit plan, including its scope and materiality, with the external auditor and its approval as appropriate for the Group. 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.
- Consideration of updates on the audit process from the external auditor, including: details of the audit's status, key matters arising from the audit and assessments of management's judgments on them; and review of the content of the independence letter and the management representation letter, as well as engagement terms.
- Review of the effectiveness of the external auditor, and making a recommendation on their re-appointment (as described below under 'External auditor').
- Review and discussion of an update from the Head of Global Internal Audit at each Committee meeting, including progress on any overdue audit actions. The Committee received details of the internal audit strategy, and reviewed and approved the annual internal audit plan.
- Evaluation of the performance of the Global Internal Audit function. The evaluation operates on a four-year cycle, with a full external quality assessment (EQA) taking place this year, undertaken by Ernst & Young LLP (EY). The process included interviews with stakeholders (including Audit Committee members, the executive directors and members of senior regional and financial management), an assessment of the function against the International Standards for the Professional Practice of Internal Auditing (IIA standards) through a review of sample files, and benchmarking of the function against peer organisations and an EY maturity model. The conclusions were presented to the Committee by EY in September 2018 and, overall, the conclusion was that Internal Audit was an advanced function, and some recommendations were made regarding business context and communication.
- Review of the effectiveness of the Group's system of risk management and internal control, including financial, operational, compliance and risk management.
- Review of reports on risk management (including details of material litigation) at every scheduled meeting, and receipt of an overview of the risk management framework from the Global Head of Risk Management.
- Receipt of a Compliance Management Programme overview from the Global Head of Compliance, and review of the terms of reference of the function.
- Review of fraud and confidential helpline updates in September 2018 and March 2019.
- Discussion and approval of the Group's Treasury Policy and Tax Policy and review of the Group's non-audit fee policy.
- Updates and Committee training from the external auditor in respect of developments in the audit industry, and potential changes that might happen, with an update on IFRS 16 (the new lease accounting standard) and its expected impact on Experian.
- Approval of the Committee's annual meeting schedule and review of the Committee's performance against its terms of reference.

Significant issues

The table below summarises the significant matters considered by the Committee in relation to the Group and Company financial statements and the way they were concluded. These matters, together with any other significant considerations of the Committee, are reported to the Board. The minutes of each Audit Committee meeting are also circulated to all members of the Board.

Matter considered	Conclusion
Tax The Committee received a regular update from management on the adequacy of provisions, and the increase in the year, in respect of significant open tax matters. The review included details of ongoing correspondence with tax authorities in the USA, Brazil and the UK and the principal areas of tax challenge.	The Committee agreed that the assessment of the uncertain tax positions was appropriate and that the judgment taken in respect of the year-end provision in the Group financial statements was reasonable. The Committee also noted the evolving and complex tax laws that applied to the Group, and the uncertainty that these might bring. It concluded that the Group tax risk disclosures were appropriate.
Litigation and regulatory matters The Committee received an update and analysis of open litigation and regulatory matters affecting the Group.	The Committee concluded that these matters had been appropriately provided for at 31 March 2019. The Committee considered and concurred with the proposed contingent liability disclosures included in the notes to the Group financial statements.
Impairment review – goodwill and other intangible assets A summary of the impairment analysis and underlying process was provided to the Committee. The Committee scrutinised the methodology applied by management. The analysis indicated that the estimated recoverable amounts of the assets of all segments continued to sufficiently exceed their carrying amounts, with the excess (the 'headroom') in respect of the EMEA cash generating unit (CGU) having increased during the year.	The Committee concurred with management's conclusion that no impairment of goodwill was required. The Committee noted the headroom and the sensitivity to changes in assumptions and concurred with the proposed disclosure of these in note 21 to the Group financial statements.
Acquisitions The Committee received an update on the accounting aspects of acquisitions made during the year, and on the acquisition of Compuscan (CSH Group (Pty) Limited), in South Africa.	The Committee approved the valuation of the acquisition intangibles and accounting for the non-controlling interests.
New accounting standards The Committee received specific training on IFRS 16 'Leases'. The Committee also received an update on the impact of other new accounting standards, IFRS 15 'Revenue from Contracts with Customers' and IFRS 9 'Financial Instruments'.	The Committee approved the Group's accounting policy and the proposed disclosures under the new standards.

Risk management and internal control

The Board is responsible for maintaining and monitoring sound risk management and internal control systems, and for determining the nature and extent of the principal risks Experian is willing to take to achieve our strategic objectives. There is an ongoing process for identifying, evaluating and managing the principal risks we face. This process was in place for the financial year and up to the date of approval of this Annual Report. Full details of our risk management and internal control systems and processes can be found in the Risk management section of the Strategic report. The specific processes underlying the elements of our risk framework are set out below.

Identify	– Assess the potential impact of each strategic, operational and financial risk on the achievement of our business objectives, and the Group's corresponding risk appetite – Identify and escalate new, emerging or changing risks, significant incidents, significant control gaps and risk acceptance – Consider external factors arising from our operating environment and internal risks arising from the nature of our business, our controls and processes, and our management decisions
Analyse	– Produce Board-level and Group-level finance reports, including financial summaries, results, forecasts and revenue trends, investor relations analysis and detailed business trading summaries – Conduct detailed performance reviews at a regional level – Report to Regional Risk Committees, the Security and Continuity Steering Committee, the Executive Risk Management Committee, and the Audit Committee on the status of principal and emerging risks, the progress of strategic projects and acquisitions, and escalation of significant accepted risks – Global Internal Audit report to the Audit Committee on assurance testing and confidential helpline investigation results – Group Compliance report to the Audit Committee on fraud management
Evaluate	– Evaluate compliance with policies and standards that address risk management, compliance, accounting, treasury management, fraud, information security and business continuity – Follow formal review and approval procedures for major transactions, capital expenditure and revenue expenditure – Monitor budgetary and performance reviews tied to KPIs and achievement of objectives – Apply a risk scoring system, based on our assessment of the probability of a risk materialising, and its impact (including speed) if it does – Require executive management confirmations of compliance with our corporate governance processes
Mitigate	– Apply active risk remediation strategies, including internal controls, formal exception processes, insurance and specialised treasury instruments – Use formal review and approval procedures for significant accepted risks
Monitor	– Maintain comprehensive risk registers representing the current risk and control environment, using a software solution to provide enhanced monitoring – Review of controls and follow-ups by management, Global Internal Audit and third parties – Use Global Internal Audit to independently assess the adequacy and effectiveness of the system of internal controls – Report on risk to the Audit Committee, addressing material and emerging risks, material litigation, information security, business continuity, and regulatory compliance – Utilise the Audit Committee to monitor the Group's risk management and internal control systems – Review by the Audit Committee of the effectiveness of our systems of risk management and internal control – Receive an annual report on the controls over relevant risks; and ongoing review of principal risks identified by the Group's risk assessment processes

Risk management is essential in a global, innovation-driven business such as Experian. It helps to create long-term shareholder value and protects our business, people, assets, capital and reputation. It operates at all levels throughout the organisation, across regions, business activities and operational support functions. Our approach to risk management encourages clear decisions about which risks we take and how we manage them, based on an understanding of their potential strategic, commercial, financial, compliance, legal and reputational impact.

As risk management and internal control systems are designed to manage rather than eliminate the risk of failure to achieve business objectives, they can provide reasonable but not absolute assurance against material financial misstatement or loss. For certain joint arrangements, the Board relies on the systems of internal control operating within Experian partners' infrastructure and the obligations of partners' boards, relating to the effectiveness of their own systems.

The Code requires companies to review the effectiveness of their risk management and internal control systems, at least annually. As shown below, the Audit Committee performs this review under delegated authority from the Board. Following this year's review, the Board considers that the information it received enabled it to review the effectiveness of the Group's system of internal control in accordance with the FRC's 'Guidance on Risk Management, Internal Control and Related Financial and Business Reporting' and that the system has no significant failings or weaknesses.

In line with the Code, the Audit Committee monitors our risk management and internal control systems, robustly assesses the principal risks identified by our risk assessment processes (including those that would threaten our business model, future performance, solvency or liquidity), and monitors actions taken to mitigate them.

For more on our approach to risk management see pages 52 to 54

Risk management and internal control systems review

Independent assessment

- Global Internal Audit reports
- Global Internal Audit Confidential Helpline reports
- External auditor's report
- Corporate responsibility independent assurance report
- Review by relevant regulatory bodies (e.g. US Consumer Financial Protection Bureau)
- Evaluation of external auditor
- Evaluation of Global Internal Audit

Management assurance

- Annual executive certification of compliance with UK FRC guidance and control adequacy
- Risk management reports, including material litigation
- Compliance reports
- Information security reports
- Impairment, going concern and viability reviews
- Annual Report and half-yearly financial report review
- Management representation letters

Board/Audit Committee approved

- Annual Global Internal Audit plan
- External auditor's engagement letter
- External auditor's annual audit plan
- Treasury policy review
- Tax policy review
- Compliance policy review
- Global Delegated Authorities Matrix, which defines internal approval procedures

Through a combination of ongoing and annual reviews, the Board is able to review the ongoing effectiveness of the Group's risk management and internal control systems

Additional financial reporting internal controls

We have detailed policies and procedures in place to ensure the accuracy and reliability of our financial reporting and the preparation of Group financial statements. This includes our comprehensive Global Accounting Policy and Standards (formerly the Group Accounting Manual), which contains the detailed requirements of International Financial Reporting Standards (IFRS).

The Group's finance team owns the Global Accounting Policy and Standards and we have rolled it out across the Group, obliging all of our companies to follow its requirements. The main objectives of the Policy and Standards are to: provide standards for accounting issues and to act as a reference document for both Experian employees and external auditors; allow for preparation of consistent and well-defined information for financial reporting requirements under IFRS; provide a set of measures to be used for both quantitative and qualitative assessments of Group performance; increase the efficiency of the reporting process; and provide a guide for educating Group personnel in approved standardised finance and accounting procedures.

Fair, balanced and understandable – what did we do?

Each year, in line with the UK Corporate Governance Code and the Committee's terms of reference, the Committee is asked to consider whether or not, in its opinion, the Annual Report is fair, balanced and understandable (FBU) and whether or not it provides the information necessary for shareholders to assess the Group's position and performance, business model and strategy. There is an established process to support the Audit Committee in making this assessment, and we use a similar process for the Group's half-yearly financial report.

The main elements of the process are:

- A list of 'key areas to focus on' (see below) previously shared with the Annual Report team. The team is reminded of the requirement annually, and asked to reflect this in their drafting.
- An internal FBU committee considered the Annual Report in May 2019, ahead of the Audit Committee meeting. A wide range of functions are represented on this committee, including executives from finance, communications, investor relations, legal and corporate secretariat. The external auditor also supports the committee.
- In advance of its May 2019 meeting, the Audit Committee received a near-final draft of the Annual Report, together with a reminder of the areas to focus on. The FBU committee's observations and conclusions were also relayed to the Audit Committee.
- Following its review this year, the Audit Committee concluded that it was appropriate to confirm to the Board that the 2019 Annual Report was fair, balanced and understandable, and provided the information necessary for shareholders to assess the Group's position and performance, business model and strategy. The FBU statement appears in the Directors' report.

The key areas to focus on included ensuring that:

- The overall message of the narrative reporting is consistent with the primary financial statements.
- The overall message of the narrative reporting is appropriate, in the context of the industry and the wider economic environment.
- The Annual Report is consistent with messages already communicated to investors, analysts and other stakeholders.
- The Annual Report taken as a whole is fair, balanced and understandable.
- The Chairman and Chief Executive Officer's statements include a balanced view of the Group's performance and prospects, and of the industry and market as a whole.
- Any summaries or highlights capture the big picture of the Group appropriately.
- Case studies or examples are of strategic importance and do not over-emphasise immaterial matters.

External auditor

Tenure and tendering

KPMG LLP (KPMG) has been the Company's auditor since July 2016. There are currently no contractual obligations restricting our choice of external auditor and we confirm that we have complied on a voluntary basis (as a non-UK-incorporated company) with the provisions of the UK Competition and Markets Authority Order (Mandatory Use of Competitive Tender Processes and Audit Committee responsibilities) for the financial year under review.

Effectiveness, independence and appointment

At its September 2018 meeting, the Audit Committee reviewed and discussed KPMG's audit strategy for the year ended 31 March 2019. In November 2018, and March and May 2019, the Committee received detailed updates on the audit's progress, which included details of the external auditor's actions, such as the audit procedures undertaken, the audit's coverage, the segregation of duties and the status of any significant findings. These updates gave the Committee a detailed insight into the audit process.

The Committee reviews the effectiveness of the external auditor at its September meeting. This year, tailored questionnaires were given to the executive and non-executive directors, and senior regional, finance, treasury and risk leadership. As part of the evaluation, the FRC's Guidance on Audit Committees was reviewed to ensure that best practice was being followed. The evaluation focused on the four key areas used in the FRC's May 2015 'Practice aid for audit committees': mind-set and culture; skills, character and knowledge; quality control and judgment. The overall results were favourable, particularly regarding the quality and value of service. There were no concerns regarding the independence of the audit team, the technical knowledge of KPMG or the way in which judgments were dealt with. The Committee concluded, based on feedback and information obtained during its other work, that the external auditor had performed effectively. The Committee concluded that the Group and the auditor had complied with the guidance.

Independence is an important element of the external audit. To ensure auditor objectivity and independence, the Committee reviews potential threats to independence and the associated safeguards during the year. The safeguards that KPMG had in place during the year to maintain independence included annual confirmation by KPMG staff of compliance with ethics and independence policies and procedures. KPMG also had in place underlying safeguards to maintain independence through instilling professional values; communications; international accountability; risk management, and independent reviews. They also ensured that there was appropriate pre-approval for non-audit services, which are only provided if permissible under relevant ethical standards. The Committee concluded that the external auditor had maintained its independence throughout the year.

Audit Quality Review

In February 2019, following its review of KPMG's audit of the 2018 Annual Report, the FRC's Audit Quality Review (AQR) team wrote to the Audit Committee Chairman. The review covered the following Group-level matters: scoping of the work and associated instructions; how KPMG dealt with ethics, independence, quality control and completion; quality of Audit Committee communications; and certain specific areas, including impairment of goodwill and intangible assets, general IT controls and taxation. At component level, the review focused on revenue recognition, including data analytics.

The Committee considered the overall outcome of the review to be positive, with one improvement recommendation, and some specific pieces of work classed as of a good or high standard. The findings were presented to the Audit Committee at its March 2019 meeting.

The AQR report did note that the review covered selected aspects of the audit only and focused on identifying areas where improvements were required. It was not designed to identify all weaknesses which may exist in the audit approach, inappropriate audit judgments or failures to follow the requirements or underlying principles of professional standards or the firm's audit methodology, nor would it be possible for any such review to do so.

Non-audit services

KPMG provides other services to Experian. To ensure auditor objectivity and independence, we have a policy relating to providing such services. The policy includes financial limits above which any proposed non-audit services must be pre-approved, depending on the expenditure proposed.

The Committee receives half-yearly reports providing details of non-audit assignments carried out by the external auditor, together with the related fees. Under the new policy, and as updated by the Audit Committee at its March 2019 meeting, non-audit fees paid to KPMG are capped at 20% of the fees for audit services (excluding audit-related assurance services), except in exceptional circumstances. Pre-approval by the Audit Committee or Audit Committee Chairman is required in that situation. An analysis of fees paid to the external auditor for the year ended 31 March 2019 is set out in note 14 to the Group financial statements.

Provision of non-audit services

Background

The Audit Committee annually reviews the policy on the provision of non-audit services and recruitment of former auditor employees and the latest review took place in March 2019. The policy, which is set out below, recognises the importance of the external auditor's independence and objectivity.

Policy

The external auditor may provide services, if decisions to award work are taken based on demonstrable competence and cost-effectiveness. However, the external auditor is specifically prohibited from the following areas of work:

- Tax services.
- Services that involve playing any part in management or decision-making.
- Work relating to accounting records and financial statements.
- Payroll services.
- Design of and implementing internal control and risk management procedures and design of and implementing financial systems.
- Valuation services.
- Legal services (general counsel, negotiations and advocacy).
- Internal audit services.
- Services linked to financing, capital structure and investment strategy (unless audit-related assurance in nature).
- Promoting, dealing in, or underwriting shares in the audited entity.
- Human resources services for hiring or reference checking key management and finance resource, organisational design and cost control.

Immaterial services in some of the above areas may be acceptable, if written permission is obtained in advance from the Chairman of the Audit Committee (via the Group Financial Controller). The appointment of the external auditor for any non-audit work up to US$50,000 must be approved by the Group Financial Controller. The appointment of the external auditor for any non-audit work where the expected fees are over US$50,000 and up to US$100,000 requires the approval, in advance, of the Group Chief Financial Officer. Where the expected fees are over US$100,000, the approval of the Chairman of the Audit Committee is required in advance.

Where cumulative annual fees exceed the 20% annual limit, all expenditure must be approved by the Chairman of the Audit Committee (via the Group Financial Controller), up to 25%. Where cumulative annual fees exceed the 25% annual limit, all expenditure has to be approved by the Audit Committee.

All expenditure is subject to a tender process, unless express permission is provided by the Chairman of the Audit Committee, the Chief Financial Officer or the Group Financial Controller based on the above approval limits. Any expenditure below US$100,000 not subject to a tender will be notified to the Chairman of the Audit Committee.

Commercial agreements where Experian provides services to the auditor must be approved by the Group Financial Controller and not exceed the lower of 5% of the local Experian entity's total revenue and US$250,000, and all transactions should be undertaken on an arm's length basis. Transactions in excess of this limit require approval of the Chairman of the Audit Committee in advance.

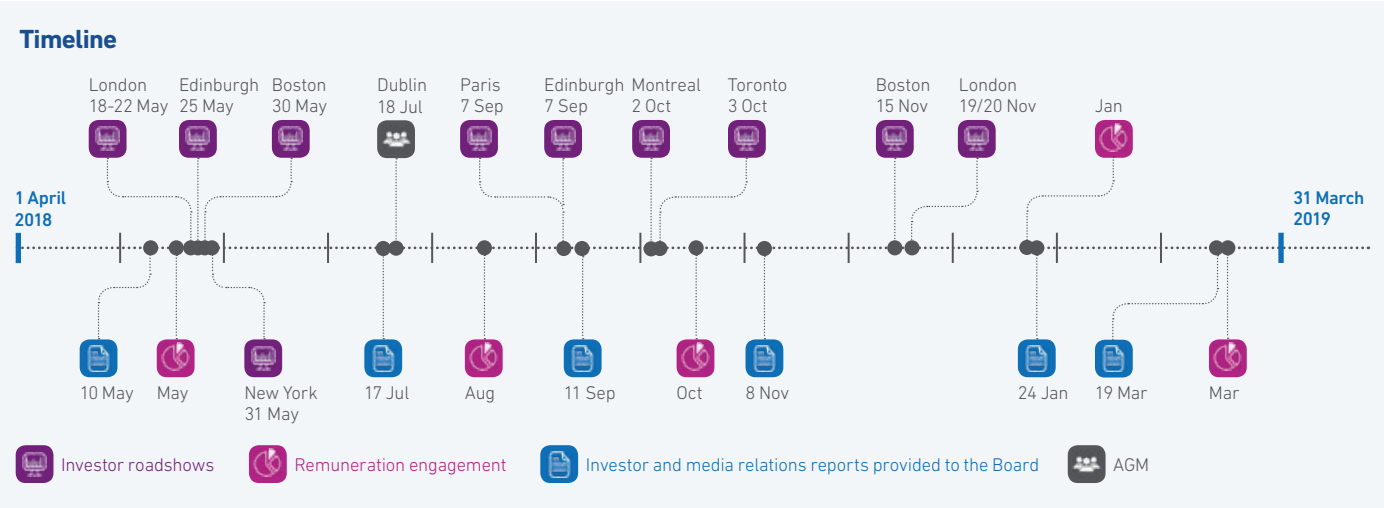
The Committee will receive half-yearly reports providing details of assignments and related fees carried out by the external auditor in addition to their normal work.

Following the year-end audit, neither Experian nor any of its subsidiary companies will employ any audit partner or audit team member in a position which could have a significant influence on the Group's accounting policies or the content of its financial statements until a cooling-off period has elapsed. The cooling-off period is two years in respect of an audit partner, and one year in respect of a director, where they have worked on the audit of Experian plc or its subsidiaries.

The KPMG Engagement Letter further prohibits Experian from soliciting the employment of any audit team member for three months following completion of the audit, without KPMG consent.

The Committee will receive an update if any senior audit team members are recruited by Experian, and an annual update in March providing numbers of former auditor employees currently employed by Experian.

Relations with shareholders and others



We interact with investors and other stakeholders in many different ways.

Board – an investor relations and media report is circulated before every Board meeting. It contains a commentary on the investment community's perception of the Group, media reports, share price performance and analysis.

Engagement with investors – in May 2018, the former Chairman of the Remuneration Committee wrote to our major shareholders and the main UK and US shareholder bodies, regarding proposed changes to the mechanics of the Group's incentive plans, including the introduction of a two-year holding period for vested share awards. In the lead-up to the 2018 AGM, we held discussions with a number of these bodies.

Following the AGM, the Remuneration Committee Chairman, Mike Rogers, together with the Company Secretary and senior members of the Group's reward team, met with some shareholders and governance advisory bodies to discuss any concerns. A series of constructive and useful face-to-face meetings were held and feedback was provided to the Remuneration Committee.

Taking into consideration the feedback received, Mike Rogers wrote in January 2019 to major shareholders and the main UK and US shareholder bodies, outlining proposed changes to the performance measures for bonus and long-term incentive plans, and a number of meetings were subsequently held.

Investors and analysts – the executive team runs an ongoing programme of dialogue and meetings with institutional investors and analysts, through which they discuss a wide range of issues including strategy, performance, management and governance, within the constraints of information already made public. Experian also engages with investors through industry conferences and by hosting events with members of the senior management team. The announcements of the annual and half-year results and trading updates provide opportunities for us to answer questions from analysts, covering a wide range of topics. This year, executive management attended conferences and investor meetings in Boston, Edinburgh, London, Montreal, New York, Paris, San Francisco and Toronto. An investor audit was held during the year. The results were reviewed by the Board and, overall, investors had positive perceptions of Experian.

Annual General Meeting – the AGM provides a valuable opportunity for the Board to communicate with shareholders and to meet them informally before the main business of the meeting. All directors attended the 2018 AGM, including the Audit, Remuneration, and Nomination and Corporate Governance Committee chairmen.

The 2019 AGM will take place on Wednesday 24 July 2019 in Dublin, Ireland. Shareholders are encouraged to attend and to use the opportunity to ask questions. However, if it is not practical for shareholders to attend, we encourage them to use proxy voting on the resolutions put forward, all of which (except for procedural resolutions) are taken by a poll. In 2018, voting levels at the AGM were 73% of the Company's issued share capital, compared with 74% in 2017.

Private shareholders – the Company Secretary, Charles Brown, oversees communication with private shareholders, and ensures direct responses as appropriate in respect of any matters raised by shareholders. The Company issues a Shareholder Questions card each year, together with the AGM documentation. Charles ensures that the Company responds to shareholders directly, either at or following the meeting.

Website – our website is an important channel for communicating with shareholders. All material information reported to the regulatory news services is published there, together with copies of annual and half-year results announcements and trading updates.

Investor relations app – this contains information on our financial performance, together with reports, presentations and news of upcoming events.

Relations with stakeholders and decision-making

The new UK Corporate Governance Code recommends that the Chairman and committee chairs seek engagement with major shareholders. Experian is open to engagement with shareholders at any time of the year and our communications with shareholders and others contain invitations to meet. Going forward, any such communications will make it clear that the invitation to meet is a standing and open invitation in respect of the Chairman and any of the committee chairs.

The Code also recommends that the Board should understand stakeholders' views, and describe how their interests have been considered in Board discussions and decision-making.

The Board already receives a number of updates on stakeholders' views during the year, including: all-employee reward reporting to the Remuneration Committee; people survey updates to the Board and the Nomination and Corporate Governance Committee; human resources updates to the Board; corporate responsibility updates to the Board; and supplier and procurement reporting to the Board.

We have processes in place to capture and consider stakeholders' views (including the matters contained in Section 172 of the UK Companies Act, 2006, on a voluntary basis). For each business case reviewed in the Group (for example, relating to mergers, acquisitions and capital investment), a summary of the considerations, anticipated impact and mitigations is included. This process has been reinforced as appropriate, in line with the Code.

Report on directors' remuneration

"It is my pleasure to present the Report on directors' remuneration, on behalf of the Remuneration Committee."

Mike Rogers
Chairman of the Remuneration Committee

Current members

- Mike Rogers (Chairman)
- Dr Ruba Borno
- Caroline Donahue
- Luiz Fleury
- Deirdre Mahlan
- George Rose
- Paul Walker

Quick link

The Committee's terms of reference can be found at www.experianplc.com/about-us/corporate-governance/board-committees/

Introduction from the Chairman

I would like to start by thanking my predecessor, Roger Davis, for the immense contribution he made to the Committee during his tenure as Chairman and the legacy he leaves behind.

A changing landscape

As I take over from Roger, I am conscious that the executive pay environment is now being shaped by an increasing number of different but important stakeholders, including our shareholders, our workforce, the UK Government as well as the general public. This broader perspective sits very comfortably with Experian as our long-held belief is that it is our people, our culture and our values that set us up for success. We believe our success is defined by our purpose of creating a better tomorrow, by developing world class products that unlock opportunities and help people realise their ambitions.

Turning to the subject of remuneration, we welcome the sentiment of both the new UK Corporate Governance Code (the 'Code') and the new UK reporting requirements in driving towards more robust pay structures allied with clearer, better disclosure. While these do not come into force until next year, we have nevertheless already adopted a number of the principles. For example, we show the impact of our strong share price appreciation on the value of the long-term incentive plan awards vesting in this financial year.

The Committee plans to use the renewal of our Directors' remuneration policy as the focal point for any other Code and regulatory requirements. The Committee will therefore, over the course of the coming year, determine the approach to take in relation to:

- the inclusion of a CEO pay ratio
- the introduction of post-employment holding periods
- a new executive director pension provision

The Code also highlights the need to consider the wider workforce. The Committee has always felt well informed about the pay arrangements for the broader employee population. In the coming year, I will supplement our level of understanding by attending our Experian People Forum in the UK, to gain a first-hand insight into the views of our workforce.

Linking executive director pay more closely with Experian's purpose and strategy

Background to proposed changes

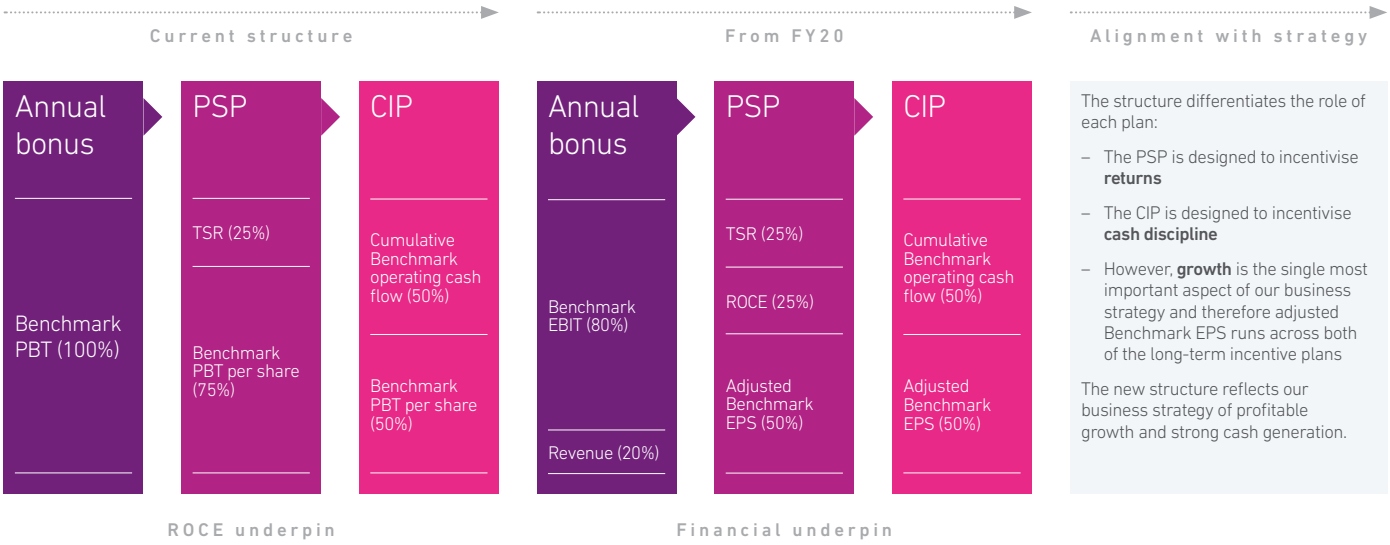
On taking over as Committee Chairman, my first priority was to listen to the views of our key stakeholders, so we consulted with our major shareholders and key institutional investor bodies during the year. Over the course of the consultation, it became clear that it was appropriate to conduct a review of the performance measures we use in our incentive plans.

The changes outlined below are the latest step in our journey, following the amendments we made to our executive director pay structures last year through the introduction of mandatory annual bonus deferral, a threshold level of vesting in our Co-investment Plans (CIP) and the introduction of an additional two-year holding period for both the CIP and the Performance Share Plan (PSP).

To date, the executive incentive structure has played a significant role in Experian's very strong performance. It plays a key role in attracting and retaining the best talent globally and particularly when competing with the data information and technology-driven companies in the USA. The incentive plans have driven our financial results, which have provided both superior returns to shareholders and the capital to re-invest in our long-term future. This remains core to our executive remuneration structure and the changes outlined below reflect the stakeholder feedback we received during consultation.

Evolution of our incentive plan performance measures

Following the feedback received, we reviewed the way in which our performance measures reflect our business strategy. We have consulted with our major shareholders and UK institutional investor bodies on the changes shown below, and have received strong support for them.



Why are we making these changes?

- While Benchmark PBT has been an important measure for us for many years, Benchmark EBIT will focus on items which are more directly within management's control and will therefore have a greater motivational value. Benchmark EBIT is also a key performance indicator.
- Revenue growth is an important metric for us, and will act as a 'quality of earnings' balance to the important profit focus of Benchmark EBIT.
- While it is not materially different, as a bottom line measure, adjusted Benchmark EPS is believed to give a clearer view of underlying performance than Benchmark PBT per share, and is more commonly tracked by analysts.
- Return on Capital Employed (ROCE), was previously an underpin to the PSP, but we will now include it explicitly as a PSP measure to further emphasise the focus on returns. This is in line with our business strategy, and was also expressed as desirable by some of our key shareholders.
- Total Shareholder Return (TSR) remains a key metric as the independent measure of the value created for our shareholders.

This new structure references all of our financial KPIs:

Experian KPI	Bonus	PSP	CIP
Revenue growth[1]	■		
Benchmark EBIT	■		
ROCE		■	
Benchmark EPS		■	■
Benchmark operating cash flow			■

Pay and performance in the last financial year

How did we perform in the year?

Revenue grew by 9% at constant exchange rates during the year and there were similar levels of growth in Benchmark EBIT (10%), Benchmark PBT (8%) and Benchmark EPS (9%).

This superior performance was also reflected in our share price, which increased over the year by 35% compared to the FTSE 100, which remained broadly flat. This was also upper quartile relative to our industry peers. At the same time, we returned US$628m to our shareholders through dividends and share repurchases.

However, we do not believe that financial numbers alone tell the full story of a company. Financial performance is just one important lens that we look through. Our holistic view of performance includes other important aspects such as employee engagement, diversity and inclusion, consumer-centricity and protecting the environment. While these strategic priorities are extremely important to us as a business, simplicity dictates that it is not always possible to include all such metrics in our incentive plans. They are, however, key inputs when assessing individual performance.

How was our performance reflected in our pay?

Salary

During the year, the Committee approved salary increases of between 2.5% and 2.6% for the executive directors. These increases were in line with the increases awarded to the general employee population across the Group.

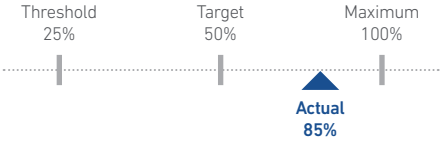
1 Our KPI is organic revenue growth.

Report on directors' remuneration continued

Annual bonus

As noted above, this year saw exceptional levels of organic revenue growth. Driven by the strategic long-term aims for the business, management chose to make higher than anticipated investments into key projects such as information security and technology infrastructure.

The impact of reinvesting for the future, despite the exceptional levels of growth, is that 85% of the maximum annual Benchmark PBT target was achieved.



This resulted in overall bonus payouts of 170% of each of the executive directors' salaries.

Given the Group's performance in the year and the additional unbudgeted investments in the business, the Committee was satisfied with the level of bonus payout.

Full details of the annual bonus outcomes are set out in the Annual report on remuneration.

Long-term incentives

The PSP and CIP awards granted in 2016 will vest on 7 June 2019. The vesting of the CIP awards was based equally on Benchmark PBT per share and cumulative Benchmark operating cash flow performance; the vesting of the PSP awards was based on Benchmark PBT per share growth (75% of the award) and Experian's TSR performance relative to the FTSE 100 Index (25% of the award).

As a result of the excellent performance achieved over the past three years, the Benchmark PBT per share and TSR elements vested in full, and the cumulative Benchmark operating cash flow element vested at 70% of maximum. The chart below illustrates our strong TSR performance period, relative to the FTSE 100 Index.

Therefore, the overall vesting of the PSP was 100% and of the CIP was 85%. Given the strong business performance over the last three years, the Committee considered this to be appropriate.

The pay and performance link

We believe that a healthy, well-run business will deliver wealth to its shareholders, and over the last three years, we have created £9.2bn of value through market capitalisation growth and dividends.

Over the same period, we have outperformed the FTSE 100 Index TSR by 35% and achieved upper quartile TSR relative to our peer group.

Pay in the wider context

Equally, we look beyond the financial numbers. Our IT and infrastructure systems are stronger and more secure following significant investment. The Experian Way of working is becoming increasingly agile as we gear up to deliver continued growth over the short- and longer-term.

Our people are undoubtedly our single most important asset, and so I am proud of the way in which we approach all-employee pay at Experian.

We work hard to continually improve our employee reward offering. For example, last year we increased our Sharesave coverage, which is now offered to 99% of our global workforce. Our strong share price growth has resulted in participating employees realising significant gains in past years.

The Group also operates a global One Experian Recognition programme, under which more than 30,000 awards were made across the employee population in FY19.

The benefits we provide globally reflect those provided by a responsible employer. For example, a new flexible benefits portal was launched in 2018 for our UK and Ireland employees, which placed a greater focus on health and wellbeing. I believe that such initiatives contribute to our strong employee engagement score of 75%.

The Committee has always considered wider employee pay as context for the decisions it makes. Every year, we review and act upon the outcome of our Experian People Survey, and the Board also regularly visits one of our local offices. For example, in March, the Board visited our offices in Costa Mesa, and their trip is detailed on page 78. To supplement this, during the year an extensive paper setting out details of all-employee pay and workforce policies across Experian was also included on the Committee agenda. We found that this standing agenda item gave us further valuable insight for framing executive pay and policies.

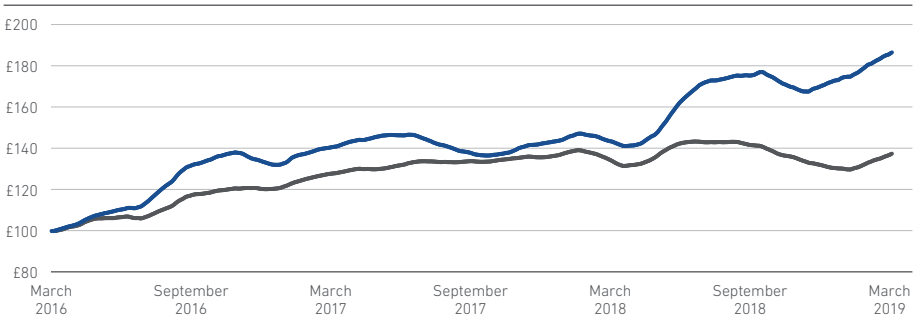
The Committee also reviewed our UK gender pay gap data, and we are pleased that, year-on-year, the pay gap has decreased. I am even more pleased by the significant number of initiatives and programmes that we have put in place around the Group to ensure that we are offering the best working environment and career path for all of our employees, regardless of gender, race or any other attribute.

Concluding comments

I believe that Experian has embraced the changing environment and has always taken a broader view of performance. Our purpose and values remain core to how we operate and the stretching goals that we set ourselves. We are a high-performing company which aims to create a better tomorrow for our consumers, for our customers, for our employees and for our shareholders.

In closing, I hope that I have provided sufficient insight and context to receive shareholders' support for our Annual report on remuneration at the 2019 AGM.

Experian 3-year TSR relative to FTSE 100 Index



Our executive remuneration at a glance

Performance snapshot

9%
Organic revenue growth*

15.9%
Return on capital employed

USc98.0
Benchmark EPS

10%
Benchmark EBIT growth*

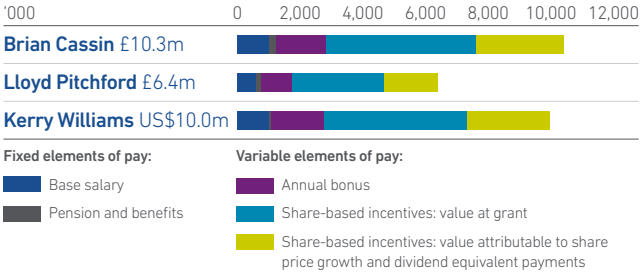
75%
Employee engagement

Performance measure	Incentive plan	Outturn	Achievement (% of max)
Benchmark PBT growth*	Annual bonus	8.4%	85%
Three-year Benchmark PBT per share growth*	CIP/PSP	9.3%	100%
Three-year cumulative Benchmark operating cash flow*	CIP	US$3.6bn	70%
Three-year TSR relative to FTSE 100 Index	PSP	35.2%	100%

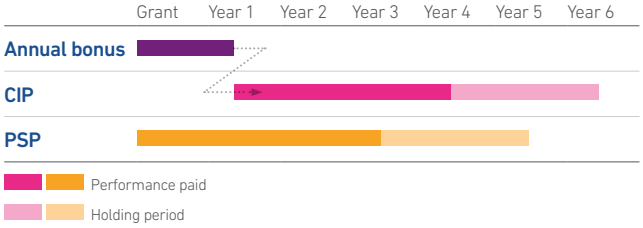
* At constant currency.

As a result of the performance shown above, the 2016 CIP vested at 85%, and the 2016 PSP vested at 100%.

Executive director single figure of pay



Incentive awards timelines

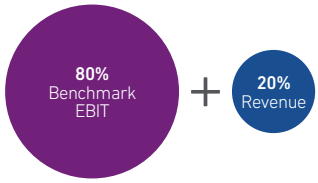


Executive director remuneration arrangements for FY20

- **Salary increases** of between 2.5% and 2.6% awarded to executive directors, effective 1 June 2019.
- **No change** to pension or benefits arrangements.
- **Annual bonus** based on Benchmark EBIT (80%) and revenue performance (20%).
- The opportunity is 200% of salary. Half of any payout must be deferred into the CIP for three years.
- **CIP awards** will be based on cumulative Benchmark operating cash flow (50%) and adjusted Benchmark EPS (50%). The maximum award remains a 2:1 match.
- **PSP awards** will be based on TSR (25%), ROCE (25%) and adjusted Benchmark EPS (50%) performance. The opportunity of 200% salary is unchanged.
- **CIP and PSP awards** will be subject to an additional two-year holding period.
- **All incentive awards** are subject to malus and clawback provisions.

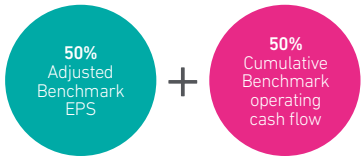
Our new executive pay framework

Annual bonus



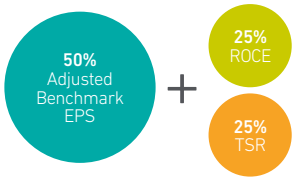
Revenue growth is a key metric for us and will provide a quality of earnings balance to the important profit focus of Benchmark EBIT.

CIP



The PSP is designed to incentivise shareholder returns, while the CIP is designed to incentivise cash discipline.

PSP



However, growth is the single most important aspect of our business strategy and therefore adjusted Benchmark EPS runs across both plans.

Annual report on remuneration

Set out below is the Annual report on remuneration, which will be put to shareholders for an advisory vote at the AGM on 24 July 2019. The Remuneration Committee has prepared this report on behalf of the Board in line with the UK Companies Act 2006, Schedule 8 to the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 (as amended) and the Listing Rules of the UK Financial Conduct Authority. All of the sections which have been audited by the Company's external auditor, KPMG, have been noted.

What did we pay our executive directors in the year? (audited)

The table below shows the single total figure of remuneration for the executive directors, for the years ended 31 March 2019 and 31 March 2018. Further explanatory information is set out below the table.

	Brian Cassin		Lloyd Pitchford		Kerry Williams	
	2019 £'000	2018 £'000	**2019 £'000**	2018 £'000	**2019 US$'000**	2018 US$'000
Salary[1]	**944**	921	**583**	568	**996**	973
Benefits	**31**	28	**27**	26	**41**	37
Pension	**189**	184	**117**	113	**22**	1
Annual bonus	**1,604**	1,059	**990**	653	**1,692**	1,116
Share-based incentives[2]	**7,576**	4,195	**4,674**	3,160	**7,215**	4,061
Total	**10,344**	6,387	**6,391**	4,520	**9,966**	6,188

1 Salary increases are effective 1 June. Therefore, the figures shown in the table above do not reflect annual salary levels. For Kerry Williams, the salary also reflects the timing of US payroll payments.

2 None of the executive directors exercised share options in the year ended 31 March 2018 or 2019.

How has the single figure been calculated? (audited)

Salary

This single figure represents the salary we paid to executive directors during the year.

All salary increases took effect from 1 June 2018. The Committee approved salary increases for executive directors of between 2.5% and 2.6% with effect from this date:

	1 June 2018 '000	1 June 2017 '000	% increase
Brian Cassin	£948	£925	2.5%
Lloyd Pitchford	£585	£570	2.6%
Kerry Williams	US$1,000	US$975	2.6%

In awarding these increases, we considered a number of factors, including the approach to employee remuneration throughout the Group, the prevailing economic conditions and positioning against the market as well as individual performance. The salary review budget in the USA and the UK was 3.0%.

Benefits and pension

Taxable benefits include life insurance, private healthcare and a company car.

Brian Cassin and Lloyd Pitchford are eligible to participate in a defined contribution pension plan but elected not to do so during the year ended 31 March 2019. In 2019, Brian Cassin received a cash supplement of £188,750 (2018: £184,167), and Lloyd Pitchford received a cash supplement of £116,500 (2018: £113,500), in lieu of their pension contributions.

Kerry Williams participates in a defined contribution plan (401k). The company contribution to this during the year was US$21,500 (2018: US$569). Last year his contribution was limited as a result of him reaching the US Internal Revenue Service (IRS) calendar limit for this plan.

No executive director has a prospective right to a defined benefit pension.

Annual bonus

Overview

We have one annual bonus plan in operation across Experian, and the majority of our workforce participate in this. The remainder of employees participate in a sales commission plan. How the plan works varies slightly depending on geography and grade, with most employees' annual bonus awards based on the performance of their particular business line or region.

Executive directors are required to defer half of any bonus earned for three years through the CIP, though they may choose to defer more. This year, as in previous years, all three executive directors chose to defer their full bonus payments into the CIP on a voluntary basis.

How do we set the bonus targets?

Every year we undertake a rigorous exercise to ensure that our targets are sufficiently stretching. Before finalising them, the Committee takes a number of steps to ensure that targets are appropriate in the context of expected performance and the wider business environment. We consider the targets at three separate Remuneration Committee meetings during the year:

Step 1

In January, the Committee considers the wider context, and is presented with an early indication of how performance is tracking in the current year.

Our external remuneration consultants are invited to provide the Committee with a wider assessment of the pay environments in the relevant locations for our business.

Step 2

At its March meeting, the Committee has a first look at possible targets for the forthcoming year, taking into account a number of factors including:

- the strategic plan
- brokers' earnings and estimates
- wider economic expectations
- our key competitors' earnings estimates, including a number of different peer groups

Step 3

By the time the Committee meets again in May, the performance outcomes for the current year have been reviewed by our auditors, and the budget meetings for the forthcoming year have taken place.

The Committee takes these into account during its determination of current year outcomes and its final review of the targets for the forthcoming year, before signing them off.

The Committee is able to take a holistic approach to target setting as all of our non-executive directors sit on the Remuneration Committee, as well as on all of our other principal Board Committees. This ensures that the Committee members are fully apprised of the wider business context and the Group's business prospects over the coming years, particularly since the Audit Committee meeting to discuss the budget and business plan takes place prior to the Remuneration Committee meeting.

Annual bonus outcome

The table below shows our growth in Benchmark PBT for bonus purposes relative to the targets set at the start of the year, and the resulting annual bonus outcomes for each executive director (up to a maximum of 200% of salary), for the year ended 31 March 2019.

	% growth required for threshold payout	% growth required for target payout[1]	% growth required for maximum payout	**Benchmark PBT growth**	**Achievement % of maximum**	Bonus payout '000	Bonus payout % of salary	% of bonus deferred under the CIP
Brian Cassin	5%	7%	9%	**8.4%**	**85%**	£1,604	170%	100%
Lloyd Pitchford						£990		100%
Kerry Williams						US$1,693		100%

1 This compares to the consensus forecast of the Committee's selected analysts of c. 6% Benchmark PBT growth for the year at the time that the targets were set.

Prior to approving the annual bonus outcomes, the Committee discussed whether or not the proposed level of vesting was appropriate in the context of the Group's wider business performance during the year.

As set out earlier in the report, the Group's performance in the year was extremely strong. The additional unbudgeted investments made in the year to strengthen the Group's long-term outlook meant that the FY19 bonus outcomes were lower than they would otherwise have been. However, the Committee was satisfied that it did not need to use any discretion, and that the level of bonus payout was appropriate.

The executive directors have elected to defer their full bonus into Experian shares under the CIP for a three-year period. Deferred bonus shares are not subject to any further conditions but may be matched, subject to the conditions set out in the CIP awards section below.

Annual report on remuneration continued

Share-based incentives

The share-based incentive amount included in the single total figure of remuneration is the combined value of the CIP and PSP awards vesting in respect of the relevant financial year. For FY18, these relate to the awards granted on 21 May 2015 and for FY19 they relate to the awards granted on 7 June 2016. Vesting in 2019 for both the CIP and PSP awards depended on performance over the three years ended 31 March 2019 as well as continued service.

The tables below show the performance achieved against the targets for the CIP and PSP awards granted in June 2016:

CIP awards

Performance measure	Weighting	Vesting[1] No match	1:1 match	2:1 match	Actual	Percentage vesting[2]
Benchmark PBT per share (annual growth)	50%	Below 4%	4%	8%	9.3%	100.0%
Cumulative Benchmark operating cash flow[3]	50%	Below US$3.5bn	US$3.5bn	US$3.9bn	US$3.6bn	70.3%
Total						85.2%

PSP awards

Performance measure	Weighting	Vesting[1] 0%	25%	100%	Actual	Percentage vesting[4]
Benchmark PBT per share (annual growth)	75%	Below 4%	4%	8%	9.3%	100.0%
TSR of Experian vs TSR of FTSE 100 Index	25%	Below Index	Equal to Index	25% above Index	35% above Index	100.0%
Total						100.0%

1 Straight-line vesting between the points shown.

2 The maximum opportunity was for a two-for-one match on the bonus deferred.

3 In line with the approach taken in previous years, the cumulative Benchmark operating cash flow targets shown above have been adjusted compared to those originally set to take into account the impact of acquisitions and disposals made over the performance period. The actual cumulative Benchmark operating cash flow over the performance period, of US$3,638m, is determined on a constant currency basis. This is in line with our approach for all performance metrics, to ensure that awards are measured on a consistent basis.

4 The maximum opportunity was the original award with a face value of 200% of salary. Vesting of these awards was also subject to the Committee agreeing that the return on capital employed (ROCE) performance over the period was satisfactory. Year-end ROCE was 15.9%, and so the Committee was comfortable that the payout determined by applying the performance criteria was appropriate in the context of this level of performance.

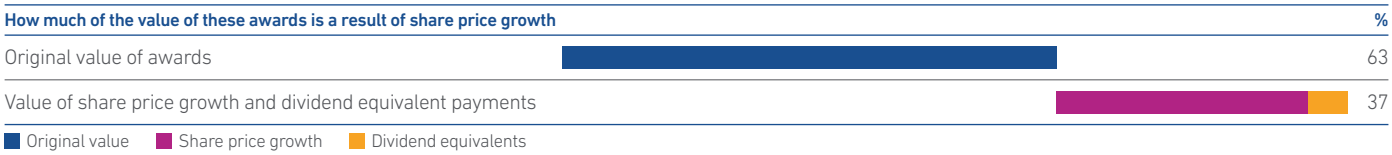
These awards had not vested at the date this report was finalised, and so the reported value of the awards has been based on the average share price in the last three months of the financial year, which was £19.79. The value of the awards included in the single total figure of remuneration is as follows:

	CIP		PSP				
	Shares awarded	Shares vesting	Shares awarded	Shares vesting	Value of shares vesting '000	Value of dividend equivalent payments '000	Total value of shares vesting '000
Brian Cassin	265,872	226,390	138,497	138,497	£7,220	£356	£7,576
Lloyd Pitchford	164,081	139,715	85,406	85,406	£4,454	£220	£4,674
Kerry Williams	194,684	165,773	101,261	101,261	US$6,874	US$341	US$7,215

The value of Kerry Williams' shares has been converted into US dollars at a rate of £1:US$1.30, which is the average rate during the last three months of FY19.

Dividend equivalents of 127.75 US cents per share will be paid on vested shares. These represent the value of the dividends that would have been paid to the owner of one share between the date of grant and the date of vesting.

The chart below shows the make-up of the value of the executive directors' vested awards. Of the values of £7.6m, £4.7m and US$7.2m for Brian Cassin, Lloyd Pitchford and Kerry Williams respectively, 63% is the value at grant, 5% is the value of dividend equivalent payments and 32% is a result of the growth in the share price between the grant date and the average price over the last three months of the financial year – which grew by over 50%.



Update to 2018 disclosure

We originally calculated the value of the share awards realised by our executive directors in 2018 using the average share price from 1 January 2018 to 31 March 2018, in line with the prescribed single figure methodology. This has now been revised to reflect the actual share price and exchange rate on vesting, as follows:

	Three-month average share price to 31 March 2018	Estimated value of long-term incentive awards '000	Share price on vesting	Actual value of long-term incentive awards '000
Brian Cassin		£3,660		£4,195
Lloyd Pitchford	**£15.90**	£2,757	**£18.35**	£3,160
Kerry Williams		US$3,667		US$4,061

What share-based incentive awards did we make in the year? (audited)

On 7 June 2018, awards were granted to the executive directors under the CIP and PSP. The face value of awards made to Brian Cassin and Lloyd Pitchford is shown in pounds sterling; the face value of awards made to Kerry Williams is shown in US dollars. The number of shares awarded to Kerry Williams was calculated using the average exchange rate for the three days prior to grant of £1:US$1.34. All awards have been calculated using a three-day average share price.

In line with the CIP rules, invested shares for Brian Cassin and Lloyd Pitchford were purchased with their bonuses net of tax. In line with the rules of The Experian North America Co-investment Plan, invested shares for Kerry Williams were calculated with reference to his gross bonus. Matching awards are based on the gross value of the bonus deferred.

Details of these awards are set out in the following table:

	Type of interest in shares	Basis of award	Face value '000	Number of shares	Vesting at threshold performance	Vesting date
Brian Cassin						
CIP invested shares	Deferred shares	100% of net bonus	£562	29,449	n/a	7 June 2021
CIP matching shares[1]	Nil-cost options	200% of value of gross bonus deferral	£2,118	111,130	25%	7 June 2021
PSP[2]	Conditional shares	200% of salary	£1,895	100,699	25%	7 June 2021
Lloyd Pitchford						
CIP invested shares	Deferred shares	100% of net bonus	£346	18,149	n/a	7 June 2021
CIP matching shares[1]	Nil-cost options	200% of value of gross bonus deferral	£1,305	68,488	25%	7 June 2021
PSP[2]	Conditional shares	200% of salary	£1,170	62,173	25%	7 June 2021
Kerry Williams						
CIP invested shares	Deferred shares	100% of gross bonus	US$1,116	43,740	n/a	7 June 2021
CIP matching shares[1]	Conditional shares	200% of value of gross bonus deferral	US$2,233	87.480	25%	7 June 2021
PSP[2]	Conditional shares	200% of salary	US$2,000	79,354	25%	7 June 2021

1 The number of shares awarded to executive directors under the CIP was based on the share price at which invested shares were purchased in the market and the face value shown above is based on this. This price was £19.06.

2 The number of shares awarded to executive directors under the PSP was based on the average share price for the three days prior to grant, which was £18.82, and the face value shown above is based on this.

PSP awards and CIP matching shares will vest subject to the achievement of the following performance conditions:

		Vesting[1]			
Performance measure	Weighting	0%	25%	50%	100%
CIP matching shares					
Benchmark PBT per share (average annual growth)[2]	50%	Below 5%	5%	6%	9%
Cumulative Benchmark operating cash flow	50%	Below US$3.7bn	US$3.7bn	US$3.8bn	US$4.1bn
PSP awards					
Benchmark PBT per share (average annual growth)[2]	75%	Below 5%	5%	6%	9%
TSR of Experian vs TSR of FTSE 100 Index	25%	Below Index	Equal to Index	8.3% above Index	25% above Index

1 Straight-line vesting between the points shown.

2 Measured on an ongoing activities and constant currency basis.

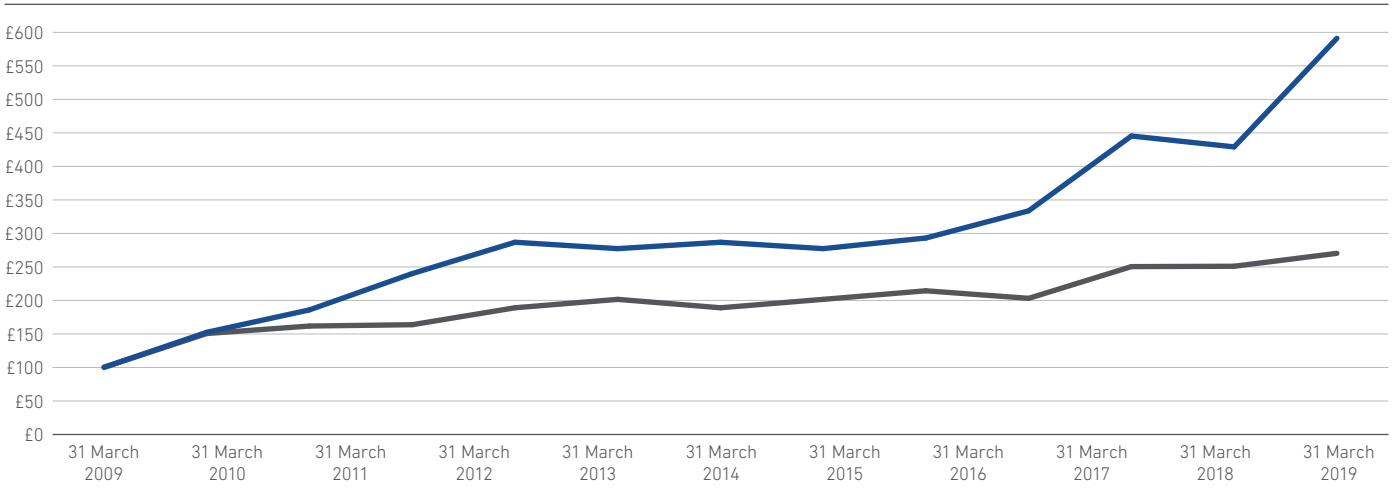
These awards will only vest if the Committee is satisfied that the vesting is not based on materially misstated financial results. The Committee also has the discretion to vary the level of vesting if it believes that the level of vesting determined by measuring performance is inconsistent with the Group's underlying financial and operational performance. The vesting of PSP awards is also subject to the Committee agreeing that ROCE performance over the period was satisfactory.

Annual report on remuneration continued

How is the CEO's pay linked to Experian's performance?

The chart below shows Experian's annual TSR performance against the FTSE 100 Index over the last ten years. The FTSE 100 Index is the most appropriate index as it is widely used and understood, and Experian is a constituent of the index.

Value of £100 invested in Experian and the FTSE 100 on 31 March 2009



The table below sets out our CEO's pay for the last ten financial years:

	2010	2011	2012	2013	2014	2015	2016	2017	2018	**2019**
CEO total single figure of remuneration (000)[1]										
Don Robert	US$6,729	US$5,714	US$23,206	US$22,974	US$16,290	US$620	—	—	—	**—**
Brian Cassin	—	—	—	—	—	£1,976	£3,678	£3,647	£6,387	**£10,344**
Annual bonus paid against maximum opportunity (%)										
Don Robert	100%	98%	100%	75%	50%	—	—	—	—	**—**
Brian Cassin	—	—	—	—	—	38%	100%	89%	58%	**85%**
LTIP vesting against maximum opportunity (%)[3]										
Don Robert	70%	n/a[2]	100%	100%	94%	69%	—	—	—	**—**
Brian Cassin	—	—	—	—	—	40%	33%	32%	95%	**90%**

1 Prior year numbers have been updated to reflect actual long-term incentive plan outcomes.

2 No long-term incentive plan awards vested in respect of performance periods ending in 2011.

3 The maximum bonus opportunity varies as the CIP opportunity is based upon the actual bonus earned.

What did we pay our non-executive directors during the year? (audited)

The table below shows a single total figure of remuneration for the Chairman and non-executive directors in respect of the years ended 31 March 2019 and 31 March 2018:

	Fees '000		Benefits '000		Share-based incentives '000		Total '000	
	2019	2018	**2019**	2018	**2019**	2018	**2019**	2018
Don Robert[1]	**£625**	£625	**£6**	£6	**—**	—	**£631**	£631
Dr Ruba Borno[2]	**€181**	—	**—**	—	**—**	—	**€181**	—
Roger Davis[3]	**€83**	€263	**—**	—	**—**	—	**€83**	€263
Caroline Donahue	**€187**	€177	**—**	—	**—**	—	**€187**	€177
Luiz Fleury[4]	**€240**	€240	**—**	—	**—**	—	**€240**	€240
Deirdre Mahlan	**€232**	€221	**—**	—	**—**	—	**€232**	€221
Mike Rogers	**€182**	€117	**—**	—	**—**	—	**€182**	€117
George Rose	**€248**	€247	**—**	—	**—**	—	**€248**	€247
Paul Walker	**€157**	€159	**—**	—	**—**	—	**€157**	€159

1 Don Robert receives an unfunded pension payment from the Group of £480,908 per annum (2018: £466,375).

2 Dr Ruba Borno joined the Board on 1 April 2018.

3 Roger Davis acted as independent Chairman of Experian Limited, which is regulated by the UK Financial Conduct Authority. His remuneration in respect of this role comprises an annual non-executive director's fee (including a fee for his role as Chairman of the Remuneration Committee) and a fee for his role as independent Chairman of Experian Limited. The fees included in the table are for the period over which he served as a director of Experian plc.

4 Luiz Fleury acted as an independent adviser to Serasa S.A., our Brazilian business. His remuneration includes a fee for this role, paid in Brazilian reais, along with the annual non-executive director's fee.

Non-executive director fees are reviewed every two years, and were last reviewed in 2017. The current fee levels are as follows:

	Annual fee from 1 October 2017	Annual fee prior to 1 October 2017
Base fee	**€150,750**	€142,500
Audit Committee Chairman fee	**€45,500**	€43,000
Remuneration Committee Chairman fee	**€36,500**	€34,500
Deputy Chairman/Senior Independent Director fee	**€91,000**	€86,000

Other than the Chairman, non-executive directors required to undertake intercontinental travel to attend Board meetings receive a supplementary payment of €6,000 per trip, in addition to any travel expenses. This amount has not changed since October 2009.

During the year, Don Robert announced that he would be stepping down as Chairman, having served as both Chief Executive Officer and Chairman. He will continue to be paid until he steps down at the 2019 AGM or when a successor is in place. The fee level for his successor will be set taking into account the expected time commitment from the new incumbent and the market rate of the role, and will be disclosed in due course.

How has our CEO's pay changed compared to the wider workforce?

We intend to publish the CEO pay ratio in next year's report in line with the timing of the regulatory requirement to do so. This timing aligns to the renewal of our Directors' remuneration policy, which is felt to be the optimum opportunity to incorporate any regulatory-driven changes into broader considerations of wider workforce remuneration.

The table below sets out the percentage change in the CEO's salary, benefits and annual bonus between 2018 and 2019, and how this compares to the average percentage change for our UK and Ireland employees. Consistent with our approach in previous years, we have selected this group of employees because Experian operates in 44 countries and, as such, has widely varying approaches to pay across different regions. This approach also avoids the complexities involved in collating and comparing remuneration data across different geographic populations, including the impact of foreign exchange rate movements.

The figures for UK and Ireland employees reflect average salaries and average employee numbers each year. For the CEO, the annual bonus is based upon Group performance. For UK and Ireland employees, the annual bonus is based upon the part of the business that the individuals work within.

	Base salary change	Taxable benefits	Annual bonus
CEO	**2.5%**	**11.1%**	**51.5%**
UK and Ireland employees	**2.8%**	**10.3%**	**18.1%**

How do we intend to implement the remuneration policy next year?

Salary

The following salary increases will take effect from 1 June 2019:

	1 June 2019 '000	1 June 2018 '000	% increase
Brian Cassin	**£973**	£948	2.5%
Lloyd Pitchford	**£600**	£585	2.6%
Kerry Williams	**US$1,025**	US$1,000	2.6%

In approving these increases, the Committee took into account a number of factors, with the pay and increases made across the Group chief among them.

Annual report on remuneration continued

Annual bonus

For the year ending 31 March 2020 the measures on which executive directors are assessed will be changed. Other than this, the Committee's approach to operating the annual bonus plan will be unchanged.

Following discussions with our key shareholders, we have introduced a Revenue performance measure into our annual bonus from FY20, accounting for 20% of the total bonus. Alongside this, we have replaced the Benchmark PBT measure with Benchmark EBIT, which will account for the other 80%. We believe that this combination of performance measures:

- fully aligns our annual bonus with our business strategy, as it incentivises executives to grow the business and generate returns;
- retains the strong focus on profit with an important quality of earnings balance;
- reflects Experian's key annual performance indicators;
- is simple to understand, to measure and to explain to participants.

Revenue performance will be calculated as the Group total revenue growth after the removal of intra-Group sales, and Benchmark EBIT will be based on ongoing activities.

In line with our policy, we will disclose the targets for the annual bonus in next year's Annual report on remuneration. Annual bonus will be subject to clawback provisions, allowing the Group to recover all or part of any payment for a period of three years from payment. In addition, the Committee can vary the level of payout if it considers that the formulaic payout determined by measuring performance is inconsistent with the Group's actual underlying financial and operational performance.

Performance is measured on a constant currency basis to strip out the effects of exchange rate fluctuations, which are outside of management's control. The Committee also excludes the impact of any material acquisitions or disposals made in the year to ensure that both metrics are measured consistently, which is in line with our approach to long-term incentive plan measures.

Share-based incentives

While deferral of 50% is compulsory, the executive directors have each elected to defer the full 100% of their bonuses into the CIP. We expect to grant matching shares in the first quarter of the year ending 31 March 2020, on a two-for-one basis. We also expect to grant PSP awards equivalent to 200% of salary at the same time. Following the changes to the performance measures outlined in the Introduction from the Chairman section of this report, the CIP and PSP awards will vest subject to meeting the following targets, which will be measured over three years, with a further two-year holding period applicable:

		Vesting[1]			
Performance measure	Weighting	0%	25%	50%	100%
CIP awards					
Benchmark Earnings per share (average annual growth)[2]	50%	Below 5%	5%	6%	9%
Cumulative Benchmark operating cash flow	50%	Below US$3.7bn	US$3.7bn	US$3.8bn	US$4.1bn
PSP awards[3]					
Benchmark Earnings per share (average annual growth)[2]	50%	Below 5%	5%	6%	9%
Return on capital employed	25%	Below 14.5%	14.5%	15.4%	16.0%
TSR of Experian vs TSR of FTSE 100 Index	25%	Below Index	Equal to Index	8.3% above Index	25% above Index

1 Straight-line vesting between the points shown.

2 Measured on an ongoing activities and constant currency basis.

3 The vesting of the PSP awards will also be subject to a discretionary financial underpin.

The Committee selected adjusted Benchmark EPS, cumulative Benchmark operating cash flow and ROCE as performance metrics for our long-term incentive plans, as they reflect three of our key performance indicators. As such, using these measures directly links Experian's long-term incentive arrangements to our strategic aims and business objectives. In addition, using relative TSR recognises the importance of creating value for shareholders. We believe these measures to be the most appropriate measures of the Group's success and, together with our annual bonus measures, they ensure that executive directors are incentivised to deliver on a wide range of business and financial measures over both the short and long term. The structure differentiates the role of each of our long-term incentive plans: the PSP incentivises returns and the CIP incentivises cash discipline. However, given that growth is so fundamental to our business strategy, it runs across both of the long-term incentive plans.

Vesting of CIP and PSP awards will be subject to the Committee being satisfied that the vesting is not based on materially misstated financial results. The Committee also retains the discretion to vary the level of vesting if it considers that the level of vesting determined by measuring performance is inconsistent with the Group's underlying financial and operational performance. These awards will all be subject to clawback provisions, allowing the Company to recover all or part of any vested award during the holding period.

TSR performance

We measure our TSR performance relative to the FTSE 100 Index, rather than against a bespoke comparator group. Our usual comparator companies are Alliance Data Systems, CoreLogic, Dun & Bradstreet, Equifax, FICO, LiveRamp, Moody's, RELX, Thomson Reuters and TransUnion, however we believe that it would be difficult to measure our TSR performance against them on a consistent basis, since many of them are listed in different markets and, as such, may be subject to different market forces. However, the Committee uses them as a reference point when reviewing other aspects of executive director pay.

Additional disclosures

Directors' shareholdings and share interests (audited)

We believe it's important that executive directors build up a significant holding in Experian shares, in order to align their interests with those of shareholders. Under our guidelines, the CEO should hold the equivalent of three times his or her base salary in Experian shares and other executive directors should hold the equivalent of two times their base salary. These guidelines include invested or deferred shares held under the CIP, but not matching shares. Shares that have vested but are subject to the two-year holding period will also count towards the guideline. Until the shareholding guideline is met, we expect executive directors to retain at least 50% of any shares vesting (net of tax) under a share award. Unvested shares do not count towards the guideline.

We also have guidelines for the non-executive directors to build up a holding in Experian's shares equal to their annual fee. Each financial year, the net fee for the first quarter is used to purchase Experian shares until the non-executive director reaches this holding.

As set out in the table below, our executive directors already significantly exceed their personal shareholding guidelines, demonstrating their personal alignment to shareholder interests as well as their commitment to Experian. Notwithstanding this, the Remuneration Committee will consider the introduction of a post-employment shareholding guideline as part of the Directors' remuneration policy review ahead of the AGM in 2020. Any introduction will be fully disclosed in the FY20 report.

All executive directors that served during the year hold shares in excess of the relevant shareholding guidelines. The interests of the directors (and their connected persons) in the Company's ordinary shares are shown below and there have been no changes between 31 March 2019 and the date of this report:

	Shares held in Experian plc at 31 March 2019	Shareholding guidelines			Share awards subject to performance conditions		
		Guideline (% of salary/fee)	Shareholding (% of salary)[1]	Guideline met?	CIP matching awards[2]	PSP awards	Share options[3]
Brian Cassin[4]	**511,703**	300%	1,123%	Yes	574,486	354,941	—
Lloyd Pitchford[4]	**270,568**	200%	962%	Yes	354,366	218,903	1,470
Kerry Williams[5]	**221,969**	200%	603%	Yes	443,938	275,270	—
Don Robert	**1,198,435**	100%	3,986%	Yes	—	—	—
Dr Ruba Borno[6]	**1,087**	100%	17%	No	—	—	—
Caroline Donahue	**10,000**	100%	160%	Yes	—	—	—
Luiz Fleury	**9,650**	100%	155%	Yes	—	—	—
Deirdre Mahlan	**15,000**	100%	185%	Yes	—	—	—
Mike Rogers	**9,287**	100%	149%	Yes	—	—	—
George Rose	**20,000**	100%	200%	Yes	—	—	—
Paul Walker	**15,000**	100%	241%	Yes	—	—	—

1 Shareholding guidelines have been calculated using the closing share price on 31 March 2019, which was £20.79 and exchange rates at 31 March 2019 of £1:US$1.31 and £1:€1.12.

2 Matching shares granted to Brian Cassin and Lloyd Pitchford are in the form of nil-cost options, which are unvested at 31 March 2019. Those granted to Kerry Williams are conditional share awards.

3 Share options have been granted under the all-employee Sharesave plan.

4 The number of Experian shares held by Brian Cassin and Lloyd Pitchford at 31 March 2019 includes 152,238 and 93,906 invested shares in the CIP respectively.

5 The number of Experian shares held by Kerry Williams at 31 March 2019 includes 221,969 shares awarded to him under The Experian North America Co-investment Plan as a result of his annual bonus deferral elections, in addition to his personal beneficial shareholding. Kerry Williams has an unconditional right to receive these Experian shares at the end of the relevant three-year deferral period. These shares do not carry dividend or voting rights prior to receipt.

6 Dr Ruba Borno joined the Board in 2018, and is still building up her shareholding.

Payments made to former directors (audited)

Three former directors of Experian Finance plc (formerly GUS plc) received unfunded pensions from the Group. Two of the former directors are now paid under the Secured Unfunded Retirement Benefit Scheme, which provides security for the unfunded pensions of executives affected by the Her Majesty's Revenue and Customs (HMRC) earnings cap. The total unfunded pensions paid to the former directors was £413,547 in the year ended 31 March 2019. Roger Davis continued to serve as a non-executive director of Experian Limited (receiving £43,972 for the balance of 2018/19) after stepping down from the Experian plc board.

Payments for loss of office (audited)

No payments for loss of office were made in the year (2018: nil).

Executive directors' non-executive directorships

We recognise the value of external non-executive directorships in enabling executive directors to broaden their experience and development. We believe that this ultimately benefits Experian. In line with the UK Corporate Governance Code's recommendations, our executive directors may accept one external non-executive directorship, although they may not serve as the chairman of a FTSE 100 company, given the time requirement this is likely to entail. We allow our executive directors to keep any fees they receive in respect of their non-executive directorship roles.

Brian Cassin was a non-executive director of J Sainsbury plc throughout the year, Lloyd Pitchford was a non-executive director of Bunzl plc and Kerry Williams was a non-executive director of Pacific Mutual Holding Company. They received fees of £67,500, £89,000 and US$211,765 respectively for the period under review.

Annual report on remuneration continued

Relative importance of spend on pay

The table below illustrates the relative importance of spend on pay for all employees, compared to the financial distributions to shareholders, through dividends and earnings-enhancing share repurchases:

	2019 US$m	2018 US$m	% change
Employee remuneration costs	**1,798**	1,702	5.6%
Dividends paid on ordinary shares	**410**	388	5.7%
Estimated value of earnings-enhancing share repurchases[1]	**111**	494	-77.5%

1 The key factor for the decrease from FY18 to FY19 was the reduction in net spend under the share repurchase programme in FY19.

The Remuneration Committee

All of our non-executive directors are members of the Committee, which met four times during the year ended 31 March 2019 to discuss remuneration. Each member is considered to be independent in accordance with the UK Corporate Governance Code.

The Committee's terms of reference can be found at www.experianplc.com/about-us/corporate-governance/board-committees/.

The Committee's role and responsibilities

The Committee is responsible for:

1. Recommending to the Board senior executive remuneration policy and the Chairman's remuneration.
2. Determining individual remuneration packages for executive directors and certain senior executives.
3. Communicating with shareholders on remuneration policy.
4. Making recommendations to the Board on the design of the Group's short- and long-term incentive plans.
5. Overseeing the Group's executive pension arrangements.
6. Overseeing broader employee workforce policies.

Committee activities

During the year, the Committee:

- Reviewed and approved the 2018 Report on directors' remuneration, and reviewed a draft of the 2019 Report on directors' remuneration.
- Considered the voting outcomes in respect of the remuneration-related resolutions tabled at the 2018 AGM, and listened to the feedback provided by Experian's key shareholders and major investor representative bodies. The Chairman of the Committee and other members of management, met with a number of these to discuss Experian's executive director remuneration arrangements.
- Discussed at length the key themes emerging from the meetings with shareholders, and considered various potential changes to the executive director packages. The Committee asked its external advisers and the Global Reward team to review best practice in Experian's key markets and provide the Committee with more details around a small number of important changes.
- Considered and approved the final changes to the executive remuneration structure, following rigorous debate and discussion.
- Received updates on the Company's long-term incentive plans, including performance conditions.
- Reviewed salaries of certain Group Operating Committee members and approved increases, as appropriate.
- Agreed the 2018 incentive plan outcomes, the 2019 bonus targets, and targets for long-term incentive awards made in the year as well as approving the long-term incentive plan participants.
- Was updated on current trends in the executive remuneration environment, focusing on our key regions. This included an update on the changes to the UK Corporate Governance Code and on the new remuneration reporting requirements set out by the UK Government.
- Was updated on the Company's response to the UK Government's gender pay gap disclosure requirement.
- Was updated on all-employee pay and workforce policies across Experian.
- Initiated the invitation to employees to participate in the 2018 Sharesave plan, and was updated on take-up and outcomes of previous grants.
- Considered remuneration matters in respect of senior hires and departures, including the fee range for the new Chairman.
- Reviewed the Committee's performance.

Advice provided to the Committee

In making its decisions, the Committee consults the Chairman, the Chief Executive Officer and the Group Human Resources Director where required. We also invite members of the Global Reward team to attend Committee meetings as appropriate. We normally consult the Chief Financial Officer about performance conditions applying to short- and long-term incentive arrangements. However, we do not consider it appropriate that executives are present when their own remuneration arrangements are being discussed.

The Committee has access to independent consultants to ensure that it receives objective advice. We reviewed our external advisers in 2013 and appointed Towers Watson Ltd (Willis Towers Watson), who remained our external advisers throughout the year ended 31 March 2019. Willis Towers Watson provides other services to Experian globally, including advice on benefits and provision of market data.

In addition, Mercer Kepler provided incentive plan award valuations and remuneration data, as well as supporting data for the target calibration process. Kepler does not provide any other services to the Group, although Mercer, Kepler's parent company, does provide unrelated services to the Group.

Both Willis Towers Watson and Mercer Kepler are members of the Remuneration Consultants Group and voluntarily operate under the Code of Conduct in relation to executive remuneration consulting in the UK. The Committee was satisfied that their advice was objective and independent.

The fees paid to these advisers for services to the Committee in the year ended 31 March 2019 based on hours spent, were as follows:

Adviser	Fees paid in the year
Willis Towers Watson	£44,550
Mercer Kepler	£20,200

Statement of voting at the 2018 AGM

The voting to approve the Annual report on remuneration at the AGM held on 18 July 2018, and the Directors' remuneration policy, approved at the AGM held on 20 July 2017, is set out in the following table:

	Votes for (including discretionary votes) % Number	Votes against % Number	Total number of votes cast	Number of votes withheld
Annual report on remuneration	81.4% 532,865,126	18.6% 122,002,407	654,867,533	13,985,597
Directors' remuneration policy	75.5% 523,841,449	24.5% 169,911,599	693,753,048	1,430,490

The Directors' remuneration policy was voted on at the 2017 AGM. Following the AGM, we conducted a shareholder consultation exercise, following which we made a number of changes to our executive remuneration structure through the introduction of mandatory annual bonus deferral, a threshold level of vesting in our CIP and the introduction of an additional two-year holding period for both the CIP and the PSP.

We have had extensive discussions with our shareholders and investor representative bodies during the year, both prior to and following the 2018 AGM. These, along with the steps that the Committee has taken to address the key issues raised, are detailed in the Introduction from the Chairman section of this report. The Committee has always been, and remains committed to ongoing dialogue with our key shareholders. We will continue to speak to them every year, and take on board their views on our executive remuneration structures.

Directors' remuneration policy

The Directors' remuneration policy was approved by shareholders at the AGM on 20 July 2017 and the Committee intends to implement this policy for the three years to July 2020.

We have included below the Policy table and the Which clawback provisions apply? section, which we consider to be the most helpful sections of the policy for shareholders. The full and original version of the policy, as approved by shareholders, is available on the Experian corporate website at www.experianplc.com/investors/reports/.

The Policy table includes the changes we made last year to reflect the introduction of additional holding periods in respect of our long-term incentive plans, compulsory bonus deferral and the inclusion of a threshold level of vesting in respect of the Co-investment Plans. The additional wording added in last year is shown in italics below. It will not form part of our formal Policy until approved by shareholders in future years.

Element and link to strategy	Operation	Maximum potential value and payment at target	Performance metrics and weightings
Base salary			
To help with attracting and retaining executive directors of the right calibre. Provides a base level of pay and reflects the competitive market salary for the role. Base salary level takes account of personal contribution and performance against Group strategy.	Base salary is paid in equal instalments during the year. Salaries are reviewed annually, with any increases generally taking effect from 1 June. Salary levels and increases take into account a number of factors, including the approach to employee remuneration throughout the Group, prevailing economic conditions, best practice and positioning against the market.	Annual executive director salary increases will, in normal circumstances, be limited to the increases awarded across the Group as a whole. Higher increases may be made in exceptional circumstances including, but not limited to, a change in role or responsibility, and will take account of market practice in relation to the new role.	When the Committee considers salary increases, it takes into account individual performance over the preceding financial year.
Benefits			
Benefits are provided as part of a competitive and cost-effective overall remuneration package. Certain benefits may also be provided to support expatriates, where they have relocated.	The Group provides a range of market-competitive benefits that include, but are not limited to, healthcare, death-in-service provision, company car or allowance and financial and tax advice. Executive directors can also participate in any of the Group's all-employee share plans, for example the Sharesave plan, on the same basis as other eligible employees. In the USA, eligible executive directors may participate in a deferred compensation plan, which is standard market practice in the USA. For expatriate assignments, we retain the flexibility to tailor benefits to the circumstances of the assignment. Additional benefits may include relocation expenses at the beginning and end of each assignment, housing allowance and school fees.	The cost of providing such benefits may vary from year to year, reflecting the cost to the Company. The Committee sets benefits at a level it considers appropriate against relevant market practice, the role and particular circumstances (for example, in the case of expatriate benefits, where the individual is required to relocate).	None.
Pension			
Provides a market-aligned retirement provision.	Pension arrangements are in line with local market practice. In the UK, the Group operates a defined contribution plan, with company contributions set as a percentage of base salary. If impacted by HMRC pension limits, an individual may elect to receive a cash allowance instead. In the USA, executive directors are eligible to join a defined contribution plan.	In the UK, the cash payment or pension contribution for executive directors is normally equal to 20% of annual gross base salary. In the USA, the contribution rate is up to 4% of earnings, up to an annual compensation limit set by the Internal Revenue Service. If required, pension arrangements in other jurisdictions would be in line with local market practice.	None.

Element and link to strategy	Operation	Maximum potential value and payment at target	Performance metrics and weightings
Annual bonus			
Motivates and rewards the achievement of specific annual objectives, linked to Experian's business strategy.	The Committee sets appropriate performance targets at the start of each financial year. At the end of the financial year, the Committee determines the extent to which these have been satisfied, based on audited results, and agrees the level of bonus to be paid. *Half of any bonus must be deferred for a period of three years. However, the executive director may elect to defer all of their bonus into the CIP. Where they elect not to do so, payment is made as soon as practicable after the financial year-end.* Malus and clawback provisions apply, under which annual bonus payments may be reduced or recovered in certain circumstances. Further details about our clawback and malus policy are set out in the Which clawback provisions apply? section of the report.	Threshold performance results in a bonus payout equivalent to 25% of the maximum. No bonus is payable for below-threshold performance. Achieving target performance results in a bonus payout equivalent to 50% of the maximum. Achieving maximum performance results in full bonus payout of 200% of salary.	The annual bonus may be based entirely on financial performance or on a combination of financial, strategic and/or operational objectives. However, the financial element will comprise at least 70% of the bonus. The Committee retains the ability to exercise its judgment to vary the level of payout if it considers that the formulaic payout determined by measuring performance is inconsistent with the Group's actual underlying financial and operational performance.
Co-investment Plans			
Aligns with shareholder interests through voluntary investment of personal capital, delivery of Experian shares and the long-term time horizons. Use of stretching financial metrics incentivises performance. Encourages participants' long-term commitment to the Group through personal investment.	Participants are invited to invest between 50% and 100% of their annual bonus into Experian shares. A conditional award of matching shares or nil-cost options is granted on a two-for-one basis on the gross bonus deferred, and vests over a three-year period subject to achieving performance targets. *Any vested awards are subject to a further two-year holding period.* Dividend equivalents accrue on all awards of shares. Malus and clawback provisions apply, under which CIP awards may be reduced or recovered in certain circumstances. Further details about our clawback and malus policy are set out in the Which clawback provisions apply? section of the report.	Maximum award levels depend on the bonus deferred, which will be matched on up to a two-for-one basis. *There is no vesting for below-threshold (previously considered to be 'target') performance.* *Achieving threshold performance results in 25% vesting of the matching shares.* Achieving target performance results in 50% vesting of the matching shares. Achieving maximum performance results in full vesting of the matching shares.	Awards vest based on financial performance and subject to the Committee being satisfied that the vesting is not based on materially misstated financial results. The Committee retains the discretion to exercise its judgment to vary the level of vesting if it considers the formulaic vesting level determined by measuring performance to be inconsistent with the Group's actual underlying financial and operational performance.

Directors' remuneration policy continued

Element and link to strategy	Operation	Maximum potential value and payment at target	Performance metrics and weightings
Performance Share Plan			
Use of stretching financial metrics incentivises performance. Aligns with shareholder interests through delivery of shares and the long-term time horizons.	Participants receive an annual award of conditional shares or nil-cost options, which vest over a three-year period subject to achieving performance targets. *Any vested awards are subject to a further two-year holding period.* Dividend equivalents accrue on all awards of shares. Malus and clawback provisions apply, under which PSP awards may be reduced or recovered in certain circumstances. Further details about our clawback and malus policy are set out in the Which clawback provisions apply? section of the report.	Normal maximum award levels are 200% of salary. Awards of up to 400% of salary may be made in exceptional circumstances such as on recruitment. There is no vesting for below-target performance. Achieving target performance results in 25% of the shares vesting. Achieving maximum performance results in full vesting of the shares.	Vesting of up to 25% of the awards is based on a share-based metric, with the balance based on financial performance. Awards are also subject to a financial underpin. The Committee retains the ability to vary the level of vesting if it considers the formulaic vesting level determined by measuring performance to be inconsistent with the Group's actual underlying financial and operational performance.
Chairman and non-executive director (NED) fees			
To attract individuals with a broad range of experience and skills, to oversee the implementation of our strategy.	The Chairman is paid an annual fee in equal monthly instalments. The Group may provide the Chairman with a limited range of benefits such as healthcare, tax advice or use of a car. The NEDs are paid a basic fee plus additional fees for chairing a Board Committee and for the role of Deputy Chairman or Senior Independent Director. NED fees are paid in equal quarterly instalments during the year. NEDs receive an additional fee where attendance at Board meetings involves intercontinental travel from their home location. The Company may settle any tax due on travel expenses incurred by the Chairman and NEDs.	The Committee sets the Chairman's fees, while NED fees are set by the Board. Both are set based on a number of factors, including the time commitment required and positioning against the market. Fees are normally reviewed every two years.	No performance-related arrangements are in place for the Chairman or the NEDs.
Share Option Plan (SOP)			
Provides focus on increasing Experian's share price over the medium to longer term.	Options are granted with an exercise price equivalent to the market value of an Experian share at the date of grant. These vest subject to achieving performance targets that are tested over a three-year period and are exercisable for seven years thereafter. No option grants have been made since 2009 and the Committee has agreed that no further awards will be made, unless warranted by exceptional circumstances such as recruitment. Malus and clawback provisions apply, under which SOP awards may be reduced or recovered in certain circumstances. Further details about our clawback and malus policy are set out in the Which clawback provisions apply? section of the report.	Normal maximum award levels are 200% of salary. Grants of up to 400% of salary may be made in exceptional circumstances such as on recruitment. There is no vesting for below-target performance. Achieving target performance results in 25% of the options vesting. Achieving maximum performance results in full vesting of the options.	The vesting of options is based on financial performance targets.

Legacy arrangements

The Committee reserves the right to make any remuneration payments and payments for loss of office (including exercising any discretions available to it in connection with such payments) notwithstanding that they are not in line with the policy set out in this report where the entitlement to the payment arose (i) before the 2014 AGM; (ii) at a time when the relevant individual was not a director of the Company and, in the opinion of the Committee, the payment was not in consideration for the individual becoming a director of the Company; or (iii) under a remuneration policy previously approved by the Company's shareholders. For these purposes entitlements arising under the Company's previous remuneration policy (as approved by shareholders at the 2014 AGM) will be incorporated into this policy and 'payments' includes the Committee satisfying awards of variable remuneration, and an entitlement under an award over shares arises at the time the award is granted.

Which clawback provisions apply?

Clawback and/or malus applies to the Company's incentive plans for five years from grant.

Under these provisions, the Committee may apply clawback or malus in circumstances which have:

- resulted in a level of vesting or payment which is higher than would otherwise have been, because of a material misstatement of the Group's financial results; or
- led to a material financial or reputational loss for the Group, due to serious individual misconduct.

Under our malus and clawback policy, should a trigger event be identified, a Clawback Committee would be appointed by the Remuneration Committee to investigate the issue. The Clawback Committee would report back with recommendations on whether malus and/or clawback should be applied, which individuals this should affect, which remuneration should be subject to malus and/or clawback and the value that should be impacted. The Remuneration Committee would then have final sign-off on any decision to operate clawback or malus.

On behalf of the Remuneration Committee

Charles Brown
Company Secretary

14 May 2019

Directors' report

The directors present their report and the audited financial statements for the year ended 31 March 2019. The report has been prepared in line with the UK Companies Act 2006, and the Corporate governance report and the Shareholder and corporate information section form part of this Directors' report. The Strategic report contains certain information equivalent to that required in a report of the directors.

Financial and operational information

Results and dividend

The Group income statement shows a profit for the year ended 31 March 2019 of US$701m (2018, as restated: US$783m). The directors have announced the payment of a second interim dividend, in lieu of a final dividend, of 32.5 US cents per ordinary share (2018: 31.25 US cents) to be paid on 26 July 2019 to shareholders on the register of members on 28 June 2019. A first interim dividend of 14.0 US cents per ordinary share was paid on 1 February 2019, giving a total dividend for the year of 46.5 US cents per ordinary share (2018: 44.75 US cents).

Innovation

Innovation, supported by our talented people, and by research and development, plays a key role in supporting Experian's business performance. Details of such activities are given in the Strategic report.

Acquisitions and disposals

Information in respect of acquisitions and disposals made during the year is contained in note 41 and note 42 respectively to the Group financial statements.

Registered branch

The Company has a branch registered in Ireland under branch number 905565.

Post balance sheet events

Details of events occurring after the end of the reporting period are contained in note 46 to the Group financial statements.

Share capital

Details of the Company's share capital and changes during the year ended 31 March 2019 are set out in note O to the Company financial statements.

Financial risk management, objectives and policies

Descriptions of the use of financial instruments and Experian's treasury and risk management objectives and policies are set out in the Financial review within the Strategic report and also in note 8 to the Group financial statements.

Political donations

Experian did not make any political donations during the year ended 31 March 2019.

Going concern

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

Directors

Information on directors holding office in the year

The directors' names, biographical details, and skills and experience are shown in the Board of directors section. Dr Ruba Borno was appointed as a non-executive director on 1 April 2018. Roger Davis retired as a non-executive director on 18 July 2018.

Particulars of directors' remuneration, service contracts and interests in the Company's ordinary shares are shown in the Report on directors' remuneration. There were no changes in the directors' interests in the ordinary shares between the end of the financial year and 14 May 2019.

In line with the UK Corporate Governance Code, as at the date of this report, all directors (with the exception of Paul Walker, who will retire from the Board with effect from the conclusion of the 2019 AGM on 24 July 2019), being eligible, will offer themselves for election or re-election at the 2019 AGM. An evaluation of the performance of the Board, its committees and individual directors was carried out during the financial year. The Board is satisfied that all directors seeking re-election contribute effectively and demonstrate commitment to their roles. The Corporate governance report contains further details of the evaluation process.

Insurance and third-party indemnification

During the year and up to the date of approval of this Annual Report, the Company maintained liability insurance and third-party indemnification provisions for its directors and officers.

Appointment and removal of directors

Both the Company, by ordinary resolution, and the directors may elect any person to be a director. The number of directors shall not exceed the maximum number fixed by the Company's articles of association. Any person appointed by the directors shall only hold office until the next AGM and shall then be eligible for election. The office of a director shall be vacated on the occurrence of any of the events listed in article 92 of the Company's articles of association. The Company may, in accordance with its articles of association, remove any director from office and elect another person in their place.

Annual General Meeting

The Company's 2019 AGM will be held at The Merrion Hotel, Upper Merrion Street, Dublin 2, D02 KF79, Ireland, at 9.30am on Wednesday 24 July 2019. Shareholders who are unable to attend may submit questions beforehand via email to agmquestions@experianplc.com or on the prepaid card sent to shareholders with the notice of meeting. The questions will be addressed at the meeting, via the Company's website at www.experianplc.com or individually as appropriate. The notice of meeting has been circulated to shareholders and can also be viewed on the Company's website.

Share capital information

Rights and obligations

The rights and obligations attaching to the ordinary and deferred shares are set out in note O to the Company financial statements and in the Company's articles of association, a copy of which can be obtained from the Experian website, www.experianplc.com. The Company's articles of association may be amended by passing a special resolution.

ADR programme

The Company has a Level 1 American Depositary Receipt (ADR) programme in the USA, for which The Bank of New York Mellon acts as depositary. The ADRs are traded on the highest tier of the US over-the-counter market, OTCQX, with each ADR representing one Experian plc ordinary share. Further details are given in the Shareholder and corporate information section.

Substantial shareholdings

The Company's articles of association oblige shareholders to comply with the notification obligations contained in the UK Disclosure Guidance and Transparency Rules sourcebook. As at 14 May 2019, the Company had not been notified of any indirect interests in its issued ordinary share capital or voting rights in respect of the year.

Restrictions on transfers of shares and/or voting rights

The Company is not aware of any agreements between shareholders that may result in restrictions on the transfer of securities and/or voting rights and, apart from the matters described below, there are no restrictions on the transfer of the Company's ordinary shares and/or voting rights:

- Certain restrictions on transfers of shares may from time to time be imposed by, for example, share dealing regulations. In certain situations, directors and certain employees are required to seek the Company's approval to deal in its shares.
- Some of Experian's share-based employee incentive plans include restrictions on the transfer of shares, while the shares are subject to the plan concerned.
- As described in the Report on directors' remuneration, non-executive directors must hold a proportion of their fees in shares, equal to their annual fee. These shares may not normally be transferred during their period of office.
- Where participants in a share-based employee incentive plan operated by Experian are the beneficial owners of the shares but not the registered owner, the voting rights are normally exercised by the registered owner at the direction of the participants.
- Shares carry no voting rights while they are held in treasury.
- The deferred shares in the Company carry no voting rights.
- Unless the directors determine otherwise, members are not entitled to vote personally or by proxy at a shareholders' meeting, or to exercise any other member's right in relation to shareholders' meetings, in respect of any share for which any call or other sum payable to the Company remains unpaid.
- Unless the directors determine otherwise, members are not entitled to vote personally or by proxy at a shareholders' meeting, or to exercise any other member's right in relation to shareholders' meetings, if the member fails to provide the Company with the required information concerning interests in those shares, within the prescribed period after being served with a notice under the Company's articles of association.
- The Company's articles of association state that, except for certain limited circumstances, if the number of shares in the Company beneficially owned by residents of the USA exceeds a defined permitted maximum and the directors give notice to the holder(s) of such shares, the shares do not give their holder(s) the right to receive notice of, attend or vote at the Company's general meetings.

Details of deadlines in respect of voting for the 2019 AGM are contained in the notice of meeting that has been circulated to shareholders and which can also be viewed at the Company's website.

Purchase, cancellation and holdings of own shares

The existing authority for the Company to purchase its own shares was given at the AGM held on 18 July 2018. It permits the Company to purchase 91,819,181 of its own shares in the market.

On 17 May 2018, the Company announced its intention to purchase its own shares, through a US$400m share repurchase programme. During the year ended 31 March 2019, the Company purchased 9,528,440 of its own shares, at a cost of US$228m (with 1,196,240 shares purchased before the 2018 AGM). No shares have been purchased by the Company since 31 March 2019. All shares purchased under this programme were cancelled.

On 17 May 2018, the Company transferred 500,113 ordinary shares from treasury to Global Shares Ireland Limited, the administrator of Experian's share plans, for nil consideration, to be used to meet obligations under employee share plans.

As at the date of approval of this Annual Report, the Company holds 61,458,390 (2018: 61,958,503) of its own shares as treasury shares, and had an unexpired authority to purchase up to 83,486,981of its own shares.

Details of the new authority being requested at the 2019 AGM are contained in the circular to shareholders, which either accompanies this Annual Report and/or is available on the Company's website at www.experianplc.com.

Details of the shares in the Company purchased by and held under The Experian plc Employee Share Trust and the Experian UK Approved All Employee Share Plan are set out in note P to the Company financial statements.

Significant agreements – change of control

The Group is party to a number of agreements that take effect, alter, terminate, or have the potential to do so, upon a change of control of the Company following a takeover bid. These agreements are as follows:

- The Group's banking facilities contain provisions which, in the event of a change of control, could result in their renegotiation or withdrawal.
- The Group's Euronotes allow holders to require repayment of the notes, if a rating agency re-rates the notes to below investment grade, following a change of control.
- All of Experian's share-based employee incentive plans contain provisions relating to a change of control. Outstanding awards and options would normally vest and become exercisable, subject to satisfaction of any performance conditions at that time.
- The Group is party to a limited number of operational arrangements which can be terminated or altered upon a change of control of the Company, but these are not considered to be individually significant to the Group's business as a whole. In certain cases, it is considered that their disclosure would be seriously prejudicial to the Company.

Employment information

Employment of people with disabilities

People with disabilities have equal opportunities when applying for vacancies. In addition to complying with legislative requirements, the Group has procedures to ensure that it treats disabled employees fairly and carefully manages their training and career development needs. The policies are considered to operate effectively. The Group supports employees who become disabled during the course of their employment, by offering re-training or re-deployment, to enable them to remain with the Group whenever possible.

Employee involvement

Experian is committed to employee involvement throughout the business. The Group is intent on motivating staff, keeping them informed on matters that concern them in the context of their employment, and involving them through local consultative procedures. Where there are recognition agreements with trade unions, the consultation process is established through national and local trade union representatives and through joint consultation committees.

Directors' report continued

Employees are kept well informed on matters of interest and the financial and economic factors affecting the Group's performance. This is done through management channels, conferences, meetings, publications and intranet sites. More detail on employee engagement, together with information on corporate responsibility, diversity, succession planning and talent development, can be found in the Our people and corporate responsibility section of the Strategic report.

Experian supports employee share ownership by providing, whenever possible, employee share plan arrangements which are intended to align employees' interests with those of shareholders.

Auditor information

Relevant audit information

As at 14 May 2019, so far as each director is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing the audit report, 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.

Independent auditor

The auditor, KPMG LLP, has indicated its willingness to continue in office and a resolution that it be re-appointed as the Company's auditor will be proposed at the AGM.

Statement of directors' responsibilities

The directors are responsible for:

- Preparing the Annual Report, the Group and Company financial statements and the Report on directors' remuneration, in accordance with applicable law and regulations.
- Preparing financial statements which give a true and fair view of the state of affairs at the balance sheet date, and the profit or loss for the period then ended of (a) the Group (in accordance with IFRSs as adopted for use in the European Union), and (b) the Company (in accordance with UK Accounting Standards including FRS 101 'Reduced Disclosure Framework').
- Keeping proper accounting records which disclose, with reasonable accuracy, at any time the financial position of the Group and the Company and enable them to ensure that the Group financial statements comply with applicable laws.
- Maintaining 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 Group and the Company and to prevent and detect fraud and other irregularities.
- The maintenance and integrity of the statutory and audited information on the Company's website. Jersey legislation and UK regulation governing the preparation and dissemination of financial statements may differ from requirements in other jurisdictions.

In addition, the directors consider that, in preparing the financial statements:

- suitable accounting policies have been selected and applied consistently;
- judgments and estimates made have been reasonable, relevant and reliable;
- the Group financial statements comply with IFRSs as adopted for use in the European Union, subject to any material departures disclosed and explained in the financial statements;
- the Group's and Company's ability to continue as a going concern has been assessed and, as applicable, matters related to going concern have been disclosed;
- the Company financial statements comply with UK Accounting Standards including FRS 101 'Reduced Disclosure Framework'; and
- it is appropriate that the Group and Company financial statements have been prepared on the going concern basis, unless it is intended to liquidate the Company or any Group company, or to cease operations or there is no realistic alternative to do so.

The directors also confirm that, to the best of their knowledge, the financial statements are prepared in accordance with the applicable set of accounting standards, give a true and fair view of the assets, liabilities, financial position and profit of the Company and the Group taken as a whole; and the Strategic report contains a fair review of the development and performance of the business and the position of the Company and the Group taken as a whole, together with a description of the principal risks that they face.

In addition, each of the directors considers that the Annual Report and financial statements, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group's position and performance, business model and strategy.

By order of the Board

Charles Brown
Company Secretary

14 May 2019

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Independent auditor's report

to the members of Experian plc

1. Our opinion is unmodified

We have audited the Financial Statements of Experian plc (the Company or the Parent Company) for the year ended 31 March 2019 which comprise the Group income statement, Group statement of comprehensive income, Group balance sheet, Group statement of changes in total equity, Group cash flow statement, Company profit and loss account, Company statement of comprehensive income, Company balance sheet, Company statement of changes in total equity and the related notes, including the accounting policies in note 5.

In our opinion, the Financial Statements:

- give a true and fair view, in accordance with International Financial Reporting Standards as adopted by the European Union, of the state of affairs of the Group as at 31 March 2019, and of its profit for the year then ended;
- give a true and fair view, in accordance with UK accounting standards, including FRS 101 Reduced Disclosure Framework, of the state of affairs of the Parent Company as at 31 March 2019, and of its profit for the year then ended; and
- have been properly prepared in accordance with the Companies (Jersey) Law, 1991.

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 Parent Company and Group in accordance with, UK ethical requirements including FRC Ethical Standards as applied to listed entities. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Overview	
Materiality	US$47m (2018: US$50m)
Group financial statements as a whole	5% (2018: 5%) of Group profit before tax (continuing operations)
Coverage	89% (2018: 89%) of Group revenue
	80% (2018: 83%) of Group profit before tax (continuing operations)
	91% (2018: 92%) of Group total assets

Risks of material misstatement vs 2018		
Recurring risks	Provisions for taxation	◇
	Provisions for litigation and contingent liabilities	◇
	Impairment of goodwill	⌄
	Recoverability of Parent Company's investment in and amounts due from subsidiaries	◇

2. Key Audit Matters: our assessment of the risks of material misstatement

Key audit matters are those matters that, in our professional judgment, were of most significance in the audit of the Financial Statements and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by us, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In arriving at our audit opinion above, the key audit matters, in decreasing order of audit significance, were as follows (unchanged from 2018):

	The risk	Our response
Tax – uncertain tax positions and tax planning ◇ (US$293m; 2018: US$301m) Refer to the Audit committee report within the Corporate Governance Report and the Group Financial Statements notes 5, 6, 17, 36 and 44(b).	**Dispute Outcome** Experian operates in a number of territories worldwide with complex local and international tax legislation. Significant uncertainties arise over the ongoing tax matters in the UK, the USA and Brazil. Tax provisioning for uncertain tax positions is judgmental and requires estimates to be made in relation to existing and potential tax matters. The effect of these matters is that, as part of our risk assessment, we determined that uncertain tax provisions have a high degree of estimation uncertainty, with a potential range of reasonable outcomes greater than our materiality for the Financial Statements as a whole, and possibly many times that amount.	**Our procedures included:** – **Our tax expertise:** Using our own tax specialists to perform an assessment of the Group's tax positions through the inspection of correspondence with the relevant tax authorities and critically assessed the advice that the Group has received from external advisors. We challenged the assumptions applied using our own expectations based on our knowledge of the Group and considered relevant judgements passed by authorities; and – **Assessing transparency:** Assessing the adequacy of the Group's disclosures in respect of tax and uncertain tax positions.
Litigation and contingent liabilities ◇ (US$17m; 2018: US$44m) Refer to the Audit Committee report within the Corporate Governance Report and the Group Financial Statements notes 6, 37 and 44.	**Dispute Outcome** The Group operates in an industry with continuously increasing levels of regulation, including the Consumer Finance Protection Bureau (CFPB) in the USA and various federal and state legislative developments in Brazil, which increase the potential for regulatory breaches and penalties. High levels of consumer litigation continue in the USA and Brazil. The outcome of such litigation is uncertain and any position taken by management involves significant judgment and estimation. The effect of these matters is that, as part of our risk assessment, we determined that the litigation liability has a high degree of estimation uncertainty, with a potential range of reasonable outcomes greater than our materiality for the Financial Statements as a whole, and possibly many times that amount.	**Our procedures included:** – **Enquiry of lawyers:** On all significant legal cases, where available, assessment of correspondence with the Group's external lawyers in order to corroborate our understanding of these matters, accompanied by discussions with internal counsel; and – **Assessing transparency:** Assessing whether the Group's disclosures detailing significant legal proceedings adequately disclose the potential liabilities of the Group.

2. Key Audit Matters: our assessment of the risks of material misstatement continued

	The risk	Our response
Goodwill impairment assessment in respect of the EMEA cash generating unit (CGU) (US$129m; 2018: US$143m) Refer to the Audit committee report within the Corporate Governance Report and the Group Financial Statements notes 5, 6 and 21.	**Forecast-based valuation** The total carrying value of goodwill as at 31 March 2019 is US$4,324m. Of this, US$4,195m relates to CGUs where there is significant headroom between the value-in-use and the carrying value of net assets. The remaining balance of US$129m relates to the EMEA CGU. The estimated recoverable amount of this CGU shows relatively low headroom and the model is sensitive to changes in assumptions along with any decline in forecast trading which could have a material impact on the carrying value of associated goodwill. Key inputs in the impairment models are inherently judgmental, which increases the potential risk of error. The effect of these matters is that, as part of our risk assessment, we determined that the value in use of goodwill has a high degree of estimation uncertainty, with a potential range of reasonable outcomes greater than our materiality for the Financial Statements as a whole. As a result of the continued improvement in performance of the EMEA CGU, we believe that this risk has reduced compared to the prior year.	**Our procedures included:** – **Assessing methodology:** Assessing whether the principles and integrity of the cash flow model is in accordance with the relevant accounting standards; – **Challenging growth assumptions:** Challenging management's assumptions and obtaining support, such as board-approved strategy plans and customer contracts, where available, for the growth initiatives used in the cash flow model, as well as corroborating long term growth rates to external sources; – **Our sector experience:** Critically assessing the appropriateness of discount rate through the use of our valuations specialists; – **Sensitivity analysis:** Performing both breakeven and reasonably foreseeable scenario sensitivity analysis on the key assumptions noted above to identify the most sensitive; – **Historical comparisons:** Evaluating the track record of historical assumptions used against actual results achieved; and – **Assessing transparency:** Assessing whether the Group's disclosures about the sensitivity of the outcome of the impairment assessment to a reasonably possible change in key assumptions reflected the risks inherent in the valuation of goodwill.
Recoverability of Parent Company's investment in and amounts due from subsidiaries (Investment in subsidiaries – US$5,301.3m, 2018: US$8,357.7m. Amounts owed by subsidiary undertakings – US$15,073.2m, 2018: US$15,733.6m) Refer to the Parent Company Financial Statements notes L and M.	**Low risk, high value** The carrying amount of the Parent Company's investments in, and amounts due from, subsidiaries represents 26% (2018: 35%) and 74% (2018: 65%) of the Parent Company's total assets respectively. Their recoverability is not at a high risk of significant misstatement or subject to significant judgment. However, due to their materiality in the context of the Parent Company Financial Statements, this is considered to be the area that had the greatest effect on our overall Parent Company audit.	**Our procedures included:** – **Tests of detail:** Comparing the carrying amount of 100% of investments and amounts due from subsidiaries, with the relevant subsidiaries' draft balance sheet to identify whether their net assets, being an approximation of the minimum recoverable amount of the related investments and amounts owed by subsidiary undertakings, were in excess of their carrying amount, and assessing whether those subsidiaries have historically been profit-making; – **Our sector experience:** For those subsidiaries where the carrying amount exceeded the net asset value, comparing the carrying amount of the investment with the expected value of the business; and – **Benchmarking assumptions:** Comparing the relevant subsidiary investment's forecast cash flow assumptions to externally derived data in relation to key inputs such as projected long term growth and (using our valuation specialists) discount rates.

Independent auditor's report continued

3. Our application of materiality and an overview of the scope of our audit

Materiality

Materiality for the Group Financial Statements as a whole was set at US$47m (2018: US$50m), with reference to a benchmark of consolidated Group profit before tax on continuing operations of which it represents 5% (2018: 5%).

Materiality for the Parent Company Financial Statements as a whole was set at US$25m (2018: US$25m), determined with reference to a benchmark of Company total assets, of which it represents 0.1% (2018: 0.1%).

We agreed to report to the Audit Committee any corrected or uncorrected identified misstatements exceeding US$2.4m (2018: US$2.4m), in addition to other identified misstatements that warranted reporting on qualitative grounds.

Our audit of the Group and Parent Company was undertaken to the materiality level specified above, which has informed our identification of significant risks of material misstatement and the associated audit procedures performed in those areas as detailed above.

Scoping

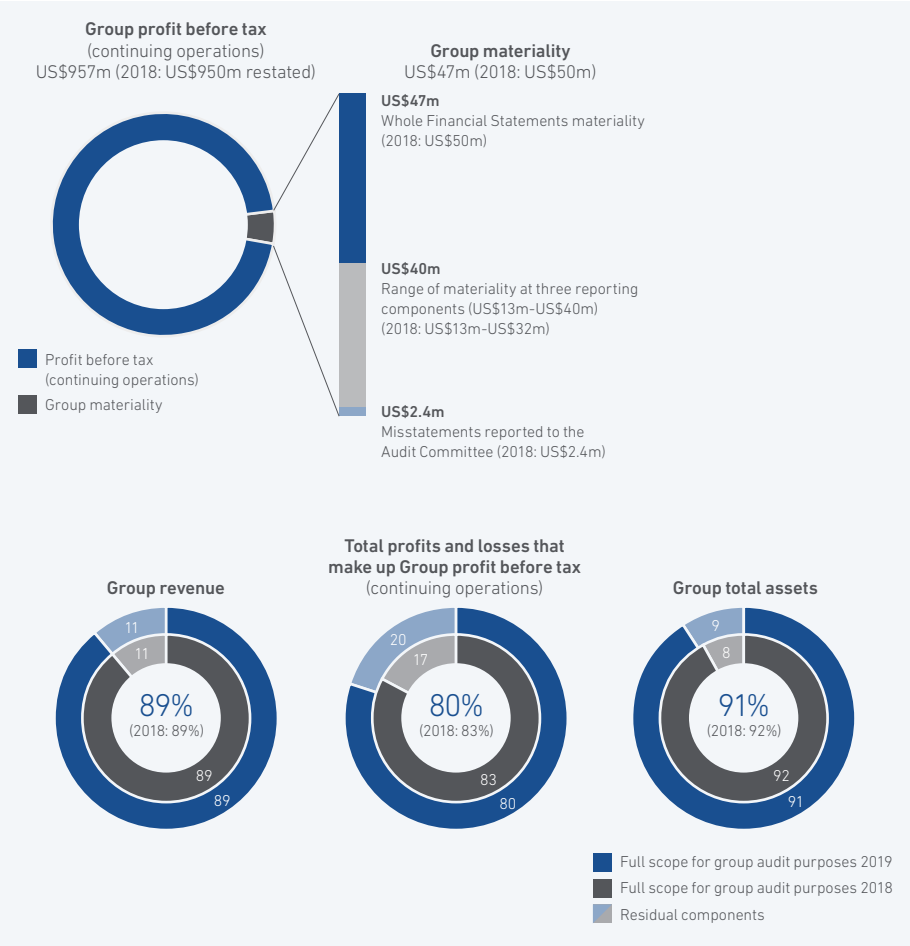
Of the Group's 171 (2018: 175) reporting components, we subjected three (2018: three) to full scope audits for Group purposes.

The three reporting components and work performed by the Group audit team accounted for the percentages illustrated opposite.

The remaining 11% of total Group revenue, 20% of total profits and losses that make up Group profit before tax (continuing operations) and 9% of total Group assets is represented by 166 reporting components, none of which individually represented more than 3% of any of total Group revenue, Group profit before tax (continuing operations) or total Group assets.

For these residual components, we performed analysis at an aggregated Group level to re-examine our assessment that there were no significant risks of material misstatement within these.

The Group audit team instructed component auditors as to the significant areas to be covered, including the relevant risks detailed above and the information to be reported back. The Group audit team approved the component materialities, which ranged from US$13m to US$40m (2018: US$13m to US$32m) having regard to the mix of size and risk profile of the Group across the components. The work on three of the 171 components (2018: three of the 175 components) was performed by component auditors and the rest, including the audit of the Parent Company, was performed by the Group audit team.



The Group operates six shared service centres in the UK, the USA, Malaysia, Chile, Costa Rica and Bulgaria, the outputs of which are included in the financial information of the reporting components they service and therefore they are not separate reporting components. Each of the service centres is subject to specified risk-focused audit procedures, predominantly the testing of transaction processing and review controls. Additional procedures are performed at certain reporting components to address the audit risks not covered by the work performed over the shared service centres.

At the planning stage of the audit, we held a global conference in the USA which was attended by the Group and shared service centre audit teams, the UK, North America and Brazil in scope components as well as Group and North America management.

The Group audit team visited three (2018: three) component locations in the USA, the UK and Brazil (2018: the USA, the UK and Brazil) to assess the audit risk and strategy. Telephone conference meetings were also held with these component auditors. At these visits and meetings, the findings reported to the Group audit team were discussed in more detail, and any further work required by the Group audit team was then performed by the component auditors.

4. We have nothing to report on going concern

The Directors have prepared the Financial Statements on the going concern basis as they do not intend to liquidate the Company or the Group or to cease their operations, and as they have concluded that the Company's and the Group's financial positions means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over their 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).

Our responsibility is to conclude on the appropriateness of the Directors' conclusions and, had there been a material uncertainty related to going concern, to make reference to that in this audit report. 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 absence of reference to a material uncertainty in this auditor's report is not a guarantee that the Group and the Company will continue in operation.

In our evaluation of the Directors' conclusions, we considered the inherent risks to the Group's and Company's business model and analysed how those risks might affect the Group's and Company's financial resources or ability to continue operations over the going concern period. The risks that we considered most likely to adversely affect the Group's and Company's available financial resources over this period were:

- Loss or inappropriate use of data or systems leading to serious reputational and brand damage, legal penalties and class action litigation.
- Adverse and unpredictable financial markets or fiscal developments in a major country of operation, resulting in significant economic deterioration, currency weakness or restriction.
- Changes in laws and regulations that would result in a significant change to the operations of the business.

As these were risks that could potentially cast significant doubt on the Group's and the Company's ability to continue as a going concern, we considered sensitivities over the level of available financial resources indicated by the Group's financial forecasts taking account of reasonably possible (but not unrealistic) adverse effects that could arise from these risks individually and collectively and evaluated the achievability of the actions the Directors consider they would take to improve the position should the risks materialise. We also considered less predictable but realistic second order impacts, such as the impact of Brexit and the erosion of customer confidence, which could result in a rapid reduction of available financial resources.

Based on this work, we are required to report to you if we have anything material to add or draw attention to in relation to the Directors' statement made in note 2 to the financial statements on the use of the going concern basis of accounting with no material uncertainties that may cast significant doubt over the Group and Company's use of that basis for a period of at least a year from the date of approval of the Financial Statements.

We have nothing to report in these respects, and we did not identify going concern as a key audit matter.

5. We have nothing to report on the other information in the Annual Report

The Directors are responsible for the other information presented in the Annual Report together with the Financial Statements. Our opinion on the Financial Statements does not cover the other information and we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information 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 other information.

Report on Directors' Remuneration

In addition to our audit of the Financial Statements, the Directors have engaged us to audit the information in the Report on Directors' Remuneration that is described as having been audited, which the Directors have decided to prepare as if the Company were required to comply with the requirements of Schedule 8 to The Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 (S.I. 2008 No. 410) made under the UK Companies Act 2006.

In our opinion, the part of the Report on Directors' Remuneration to be audited has been properly prepared in accordance with the UK Companies Act 2006, as if it applied to the Company.

Disclosures of principal risks and longer-term viability

Based on the knowledge we acquired during our financial statements audit, we have nothing material to add or draw attention to in relation to:

- the Directors' confirmation within the Viability Statement (on page 62) that they have carried out a robust assessment of the principal risks facing the Group, including those that would threaten its business model, future performance, solvency or liquidity;
- the Principal Risks disclosures describing these risks and explaining how they are being managed or mitigated;
- the Directors' explanation in the Viability Statement (on page 62) as to how they have assessed the prospects of the Group, over what period they have done so and why they consider that period to be appropriate, and their statement as to whether they have a reasonable expectation that the Group will be able to continue in operation and meet its liabilities as they fall due over the period of their assessment, including any related disclosures drawing attention to any necessary qualifications or assumptions;

Our work is limited to assessing these matters in the context of only the knowledge acquired during our financial statements audit. 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 absence of anything to report on these statements is not a guarantee as to the Group's and Company's longer-term viability.

Independent auditor's report continued

Corporate governance disclosures

We are required to report to you if:

- we have identified material inconsistencies between the knowledge we acquired during our financial statements audit and the directors' statement that they consider that the Annual Report and financial statements taken as a whole is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group's position and performance, business model and strategy; or
- the section of the annual report describing the work of the Audit Committee does not appropriately address matters communicated by us to the Audit Committee.

We are required to report to you if the Corporate Governance Statement does not properly disclose a departure from the eleven provisions of the UK Corporate Governance Code specified by the UK Listing Rules for our review.

We have nothing to report in these respects.

6. We have nothing to report on other matters on which we are required to report by exception

Under the Companies (Jersey) Law, 1991 and the terms of our engagement we are required to report to you if, in our opinion:

- proper accounting records have not been kept by the Company; or
- proper returns adequate for our audit have not been received from branches not visited by us; or
- the Company's Financial Statements and the part of the Directors' Remuneration Report which we were engaged to audit are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in these respects.

7. Respective responsibilities

Directors' responsibilities

As explained more fully in their statement set out on page 106, the Directors are responsible for: the preparation of the Financial Statements including 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 Group's and Parent 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 Group or the Parent 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.

8. The purpose of this report and restrictions on its use by persons other than the Company's members as a body

This report is made solely to the Company's members, as a body, in accordance with Article 113A of the Companies (Jersey) Law 1991 and the terms of our engagement by the Company. 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 the further matters we are required to state to them in accordance with the terms agreed with the Company, 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.

Paul Korolkiewicz
for and on behalf of KPMG LLP
Chartered Accountants and Recognized Auditor
15 Canada Square,
London
E14 5GL

14 May 2019

Group income statement

for the year ended 31 March 2019

	Notes	2019 Benchmark[1] US$m	2019 Non-benchmark[2] US$m	2019 Total US$m	2018 (Restated) (Note 3) Benchmark[1] US$m	2018 (Restated) (Note 3) Non-benchmark[2] US$m	2018 (Restated) (Note 3) Total US$m
Revenue	9,10	4,861	—	**4,861**	4,584	—	**4,584**
Labour costs	12(a)	(1,795)	(3)	**(1,798)**	(1,695)	(7)	**(1,702)**
Data and information technology costs		(645)	—	**(645)**	(595)	—	**(595)**
Amortisation and depreciation charges	13	(326)	(111)	**(437)**	(326)	(112)	**(438)**
Marketing and customer acquisition costs		(342)	—	**(342)**	(328)	—	**(328)**
Other operating charges		(445)	(37)	**(482)**	(401)	(69)	**(470)**
Total operating expenses		(3,553)	(151)	**(3,704)**	(3,345)	(188)	**(3,533)**
Profit on disposal of businesses	15(b)	—	5	**5**	—	—	**—**
Operating profit/(loss)		1,308	(146)	**1,162**	1,239	(188)	**1,051**
Interest income		12	—	**12**	15	—	**15**
Finance expense		(125)	(95)	**(220)**	(100)	(24)	**(124)**
Net finance costs	16	(113)	(95)	**(208)**	(85)	(24)	**(109)**
Share of post-tax profit of associates		3	—	**3**	8	—	**8**
Profit/(loss) before tax	10	1,198	(241)	**957**	1,162	(212)	**950**
Group tax (charge)/credit	17	(306)	50	**(256)**	(296)	160	**(136)**
Profit/(loss) for the financial year from continuing operations		892	(191)	**701**	866	(52)	**814**
Loss for the financial year from discontinued operations	18(a)	—	—	**—**	—	(31)	**(31)**
Profit/(loss) for the financial year		892	(191)	**701**	866	(83)	**783**
Attributable to:							
Owners of Experian plc		886	(191)	**695**	866	(83)	**783**
Non-controlling interests		6	—	**6**	—	—	**—**
Profit/(loss) for the financial year		892	(191)	**701**	866	(83)	**783**
Total Benchmark EBIT[1]		1,311	—	**1,311**	1,247	—	**1,247**

	Notes	US cents	US cents	**US cents**	US cents	US cents	**US cents**
Earnings/(loss) per share							
Basic	19(a)	98.0	(21.1)	**76.9**	94.4	(9.0)	**85.4**
Diluted	19(a)	96.9	(20.9)	**76.0**	93.5	(8.9)	**84.6**
Earnings/(loss) per share from continuing operations							
Basic	19(a)	98.0	(21.1)	**76.9**	94.4	(5.6)	**88.8**
Diluted	19(a)	96.9	(20.9)	**76.0**	93.5	(5.6)	**87.9**
Benchmark PBT per share[1,3]		132.5			126.7		
Full-year dividend per share[1]	20			**46.50**			**44.75**

1 Total Benchmark EBIT, Benchmark PBT per share and Full-year dividend per share are non-GAAP measures, defined where appropriate in note 7.

2 The loss before tax for non-benchmark items of US$241m (2018: US$212m) comprises a credit for Exceptional items of US$5m (2018: charge of US$57m) and charges for other adjustments made to derive Benchmark PBT of US$246m (2018: US$155m). Further information is given in note 15.

3 Benchmark PBT per share is calculated by dividing Benchmark PBT of US$1,198m by the weighted average number of ordinary shares of 904 million. The amount is stated in US cents per share.

The segmental disclosures in note 10 indicate the impact of business disposals on the comparative revenue and Total Benchmark EBIT figures.

Group statement of comprehensive income

for the year ended 31 March 2019

	2019 US$m	2018 (Restated) (Note 3) US$m
Profit for the financial year	**701**	783
Other comprehensive income		
Items that will not be reclassified to profit or loss:		
Remeasurement of post-employment benefit assets and obligations (note 35(b))	**16**	28
Changes in the fair value of financial assets revalued through OCI	**(2)**	—
Deferred tax charge	**(1)**	(6)
Items that will not be reclassified to profit or loss	**13**	22
Items that may be reclassified subsequently to profit or loss:		
Currency translation (losses)/gains	**(179)**	24
Items that may be reclassified subsequently to profit or loss	**(179)**	24
Items reclassified to profit or loss:		
Cumulative currency translation gain in respect of divestments	**3**	—
Other comprehensive income for the financial year[1]	**(163)**	46
Total comprehensive income for the financial year	**538**	829
Attributable to:		
Continuing operations	**533**	860
Discontinued operations	**—**	(31)
Owners of Experian plc	**533**	829
Non-controlling interests	**5**	—
Total comprehensive income for the financial year	**538**	829

1 Amounts reported within Other comprehensive income (OCI) are in respect of continuing operations and, except as reported for post-employment benefit assets and obligations, there is no associated tax. Currency translation items, not reclassified to profit or loss, are recognised in the translation reserve within other reserves. Other items within Other comprehensive income are recognised in retained earnings.

Group balance sheet

at 31 March 2019

	Notes	2019 US$m	2018 (Restated) (Note 3) US$m
Non-current assets			
Goodwill	21	**4,324**	4,452
Other intangible assets	22	**1,474**	1,538
Property, plant and equipment	23	**333**	335
Investments in associates	24	**122**	125
Deferred tax assets	36(a)	**147**	140
Post-employment benefit assets	35(a)	**61**	47
Trade and other receivables	25(a)	**129**	83
Financial assets revalued through OCI[1]	30(a)	**103**	84
Other financial assets	30(b)	**154**	194
		6,847	6,998
Current assets			
Trade and other receivables	25(a)	**1,055**	1,115
Current tax assets	36(b)	**27**	27
Other financial assets	30(b)	**9**	4
Cash and cash equivalents	26(a)	**149**	156
		1,240	1,302
Current liabilities			
Trade and other payables	27(a)	**(1,464)**	(1,494)
Borrowings	28(a)	**(869)**	(956)
Current tax liabilities	36(b)	**(313)**	(278)
Provisions	37	**(41)**	(70)
Other financial liabilities	30(b)	**(152)**	(86)
		(2,839)	(2,884)
Net current liabilities		**(1,599)**	(1,582)
Total assets less current liabilities		**5,248**	5,416
Non-current liabilities			
Trade and other payables	27(a)	**(99)**	(103)
Borrowings	28(a)	**(2,455)**	(2,558)
Deferred tax liabilities	36(a)	**(132)**	(162)
Post-employment benefit obligations	35(a)	**(55)**	(58)
Other financial liabilities	30(b)	**(13)**	(51)
		(2,754)	(2,932)
Net assets		**2,494**	2,484
Equity			
Called-up share capital	38	**96**	97
Share premium account	38	**1,559**	1,546
Retained earnings	39(a)	**18,718**	18,609
Other reserves	39(b)	**(17,893)**	(17,775)
Attributable to owners of Experian plc		**2,480**	2,477
Non-controlling interests		**14**	7
Total equity		**2,494**	2,484

1 Comparative information previously reported as available-for-sale financial assets is reclassified following the adoption of IFRS 9 (note 3).

These financial statements were approved by the Board on 14 May 2019 and were signed on its behalf by:

George Rose
Director

Group statement of changes in total equity

for the year ended 31 March 2019

	Called-up share capital (Note 38) US$m	Share premium account (Note 38) US$m	Retained earnings (Note 39) US$m	Other reserves (Note 39) US$m	Attributable to owners of Experian plc US$m	Non-controlling interests US$m	Total equity US$m
At 31 March 2018 as previously reported	97	1,546	18,745	(17,771)	2,617	7	2,624
Adjustment on adoption of IFRS 15	—	—	(136)	(4)	(140)	—	(140)
Restated at 1 April 2018	97	1,546	18,609	(17,775)	2,477	7	2,484
Profit for the financial year	—	—	695	—	695	6	701
Other comprehensive income for the financial year	—	—	16	(178)	(162)	(1)	(163)
Total comprehensive income for the financial year	—	—	711	(178)	533	5	538
Transactions with owners:							
Employee share incentive plans:							
– value of employee services	—	—	87	—	87	—	87
– shares issued on vesting	—	13	—	—	13	—	13
– other exercises of share awards and options	—	—	(53)	60	7	—	7
– related tax credit	—	—	8	—	8	—	8
– other payments	—	—	(4)	—	(4)	—	(4)
Purchase and cancellation of own shares	(1)	—	(230)	—	(231)	—	(231)
Transactions in respect of non-controlling interests	—	—	—	—	—	3	3
Dividends paid	—	—	(410)	—	(410)	(1)	(411)
Transactions with owners	(1)	13	(602)	60	(530)	2	(528)
At 31 March 2019	96	1,559	18,718	(17,893)	2,480	14	2,494

	Called-up share capital (Note 38) US$m	Share premium account (Note 38) US$m	Retained earnings (Note 39) US$m	Other reserves (Note 39) US$m	Attributable to owners of Experian plc US$m	Non-controlling interests US$m	Total equity US$m
At 1 April 2017 as previously reported	100	1,530	18,813	(17,804)	2,639	12	2,651
Adjustment on adoption of IFRS 15	—	—	(104)	—	(104)	—	(104)
Restated at 1 April 2017	100	1,530	18,709	(17,804)	2,535	12	2,547
Profit for the financial year[1]	—	—	783	—	783	—	783
Other comprehensive income for the financial year[1]	—	—	22	24	46	—	46
Total comprehensive income for the financial year[1]	—	—	805	24	829	—	829
Transactions with owners:							
Employee share incentive plans:							
– value of employee services	—	—	76	—	76	—	76
– shares issued on vesting	—	16	—	—	16	—	16
– other exercises of share awards and options	—	—	(32)	42	10	—	10
– purchase of shares by employee trusts	—	—	—	(37)	(37)	—	(37)
– other payments	—	—	(2)	—	(2)	—	(2)
Purchase and cancellation of own shares	(3)	—	(542)	—	(545)	—	(545)
Transactions in respect of non-controlling interests	—	—	(17)	—	(17)	(1)	(18)
Dividends paid	—	—	(388)	—	(388)	(4)	(392)
Transactions with owners	(3)	16	(905)	5	(887)	(5)	(892)
At 31 March 2018	97	1,546	18,609	(17,775)	2,477	7	2,484

1 Comparative information is restated following the adoption of IFRS 15 (note 3).

Group cash flow statement

for the year ended 31 March 2019

	Notes	2019 US$m	2018 US$m
Cash flows from operating activities			
Cash generated from operations	40(a)	**1,639**	1,529
Interest paid		**(134)**	(98)
Interest received		**5**	12
Dividends received from associates		**6**	3
Tax paid		**(233)**	(191)
Net cash inflow from operating activities – continuing operations		**1,283**	1,255
Net cash outflow from operating activities – discontinued operations	18(b)	**(42)**	(63)
Net cash inflow from operating activities		**1,241**	1,192
Cash flows from investing activities			
Purchase of other intangible assets	40(c)	**(348)**	(360)
Purchase of property, plant and equipment		**(91)**	(71)
Sale of property, plant and equipment		**13**	26
Purchase of other financial assets		**(25)**	(31)
Acquisition of subsidiaries, net of cash acquired	40(d)	**(72)**	(146)
Purchase of investments in associates		**(5)**	(56)
Disposal of subsidiaries – continuing operations		**12**	2
Net cash flows used in investing activities – continuing operations		**(516)**	(636)
Net cash flows from investing activities – discontinued operations	18(b)	**—**	278
Net cash flows used in investing activities		**(516)**	(358)
Cash flows from financing activities			
Cash inflow in respect of shares issued	40(e)	**13**	16
Cash outflow in respect of share purchases	40(e)	**(228)**	(581)
Other payments on vesting of share awards		**(4)**	(2)
Transactions in respect of non-controlling interests	40(d)	**3**	(8)
New borrowings		**1,035**	864
Repayment of borrowings		**(1,118)**	(653)
Net payments for cross-currency swaps and foreign exchange contracts		**5**	(13)
Net receipts from equity swaps		**3**	1
Dividends paid		**(411)**	(392)
Net cash flows used in financing activities		**(702)**	(768)
Net increase in cash and cash equivalents		**23**	66
Cash and cash equivalents at 1 April		**137**	81
Exchange movements on cash and cash equivalents		**(14)**	(10)
Cash and cash equivalents at 31 March	40(f)	**146**	137

Notes to the Group financial statements

for the year ended 31 March 2019

1. Corporate information

Experian plc (the Company) is the ultimate parent company of the Experian group of companies (Experian or the Group). Experian is a leading global information services group.

The Company is incorporated and registered in Jersey as a public company limited by shares and is resident in Ireland. The Company's registered office is at 22 Grenville Street, St Helier, Jersey JE4 8PX, Channel Islands. The Company's ordinary shares are traded on the London Stock Exchange's Regulated Market and have a Premium Listing.

There has been no change in this information since the Annual Report for the year ended 31 March 2018.

2. Basis of preparation

The Group financial statements are:

- prepared in accordance with the Companies (Jersey) Law 1991 and International Financial Reporting Standards (IFRS or IFRSs) as adopted for use in the European Union (the EU) and IFRS Interpretations Committee interpretations (together EU-IFRS)
- prepared on the going concern basis and under the historical cost convention, as modified for the revaluation of certain financial assets and financial liabilities
- presented in US dollars, the most representative currency of the Group's operations, and generally rounded to the nearest million
- prepared using the principal exchange rates set out in note 11 and
- designed to voluntarily include disclosures in line with those parts of the UK Companies Act 2006 applicable to companies reporting under IFRS.

The Company's own financial statements are prepared under UK accounting standards in accordance with FRS 101 'Reduced Disclosure Framework'.

There has been no change in the above information since the Annual Report for the year ended 31 March 2018.

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 Group financial statements, are highlighted in note 6.

The going concern basis continues to be adopted in preparing these financial statements. The Board has assessed the principal risks and uncertainties and the other matters discussed in connection with the Viability statement, and the directors consider it appropriate to adopt the going concern basis of accounting in preparing the financial statements.

3. Changes in Accounting Standards

Accounting Standards, amendments or interpretations effective for the first time in the year ended 31 March 2019 which have a material impact on the Group financial statements are detailed below.

IFRS 9

IFRS 9 'Financial Instruments' replaces the provisions of IAS 39 'Financial Instruments: Recognition and Measurement' that relate to the recognition, classification and measurement of financial assets and financial liabilities, derecognition of financial instruments, impairment of financial assets and hedge accounting.

We have performed an assessment to understand the requirements of IFRS 9 and how these differ from IAS 39 and have concluded that there is no significant financial impact from the date of adoption on these Group financial statements. We have applied the classification and impairment changes retrospectively, however we have taken advantage of the transitional provisions in IFRS 9 allowing no restatement of comparative information for prior periods.

The new categories of financial assets as defined in IFRS 9 have been adopted and hence, the former available-for-sale financial asset category has been reclassified to 'Financial assets revalued through OCI'. There has been no consequent change to financial asset values. Following this reclassification, any gains or losses arising upon the subsequent disposal of these assets will no longer be recycled to the income statement and instead will remain within OCI.

For trade receivables and certain IFRS 15 contract assets, we have adopted the standard's simplified lifetime expected credit loss approach. Expected credit losses are determined using a combination of historical experience and forward-looking information. There is no significant impact to impairment provisions as a result of the change in impairment model.

Cross-currency swaps and interest rate swaps in hedge accounting relationships as at 31 March 2018 still qualify as fair value hedges under IFRS 9. The Group's risk management strategies and hedge documentation are aligned with the requirements of IFRS 9 and these relationships are therefore treated as continuing hedges.

IFRS 15

IFRS 15 'Revenue from Contracts with Customers' establishes a comprehensive framework for determining whether, how much and when revenue is recognised. IFRS 15 replaces all existing revenue requirements in EU-IFRS. We have undertaken a detailed review of our contracts and revenue recognition procedures and have evaluated the additional disclosure requirements that IFRS 15 introduces.

In accordance with the IFRS 15 transition guidance we have adopted the new rules using the full retrospective approach and have restated our comparative financial results where appropriate.

3. Changes in Accounting Standards continued

IFRS 15 is based on the principle that revenue is recognised when control of goods or services is transferred to the customer and provides a single, principles-based five-step revenue recognition model to be applied to all sales contracts. In implementing IFRS 15, the primary effect is in relation to certain contracts which are predominantly in the Business-to-Business business segment. The contracts affected represent less than 15% of Group revenue, with the effect being a change in the period in which multi-year revenue is recognised.

The key change for the Group under IFRS 15 is the introduction of the concept of separately identifiable performance obligations, and recognising revenue when these have been met, and the customer takes control. It therefore results in fewer of our services being separated or unbundled. The largest impacts are in the following areas:

- Software licence and delivery services are primarily accounted for as a single performance obligation, with revenue recognised when the combined offering is delivered to the customer. There is a new distinction in treatment between Experian-hosted solutions (revenue spread over the contract term) and on-premise software licence arrangements (revenue recognised on delivery completion). For these contracts we generally see a delay in when delivery revenue is recognised compared to the previous accounting treatment.
- Batch data arrangements which include an ongoing update service are apportioned across each delivery to the customer, rather than being apportioned on Experian delivery hours.
- Platform set-up fees across a range of business units are recognised over the contractual life of the wider service provided to the customer, compared to the previous approach of recognition as the set-up is delivered.
- There are a small number of arrangements where we previously concluded that the Group is acting as Principal (recognising revenue and costs on a gross basis) and under IFRS 15 guidance we now determine that we are acting as an Agent (only the fee to which we are entitled for arranging the promised goods/services is recognised as revenue). These presentational changes have no impact on our reported Benchmark EBIT.
- Certain costs are deferred as contract costs and expensed over the period that the related revenue stream is recognised. These costs include sales commissions and labour costs directly relating to an implementation service.

Impact of adoption

The following tables summarise the adjustments to the comparative Group income statement and Group balance sheet. Our Benchmark operating cash flow is not affected by the restatement and on a full-year basis we do not expect a material effect on our growth rates.

Group income statement

	Year ended 31 March 2018		
	As originally presented US$m	IFRS 15 adjustment US$m	**Restated US$m**
Revenue	4,662	(78)	**4,584**
Total operating expenses	(3,567)	34	**(3,533)**
Operating profit/(loss)	1,095	(44)	**1,051**
Interest income	15	—	**15**
Finance expense	(124)	—	**(124)**
Net finance costs	(109)	—	**(109)**
Share of post-tax profit of associates	8	—	**8**
Profit/(loss) before tax	994	(44)	**950**
Group tax (charge)/credit	(149)	13	**(136)**
Profit/(loss) for the financial year from continuing operations	845	(31)	**814**
Loss for the financial year from discontinued operations	(30)	(1)	**(31)**
Profit/(loss) for the financial year	815	(32)	**783**
Attributable to:			
Owners of Experian plc	815	(32)	**783**
Non-controlling interests	—	—	**—**
Profit/(loss) for the financial year	815	(32)	**783**
Total Benchmark EBIT[1]	1,291	(44)	**1,247**

1 Total Benchmark EBIT is a non-GAAP measure, defined in note 7.

Notes to the Group financial statements continued

3. Changes in Accounting Standards continued

Group balance sheet (extract)

	At 31 March 2018		
	As originally presented US$m	IFRS 15 adjustment US$m	**Restated US$m**
Non-current assets			
Trade and other receivables	11	72	**83**
Current assets			
Trade and other receivables	1,112	3	**1,115**
Current liabilities			
Trade and other payables	(1,294)	(200)	**(1,494)**
Non-current liabilities			
Trade and other payables	(44)	(59)	**(103)**
Deferred tax liabilities	(206)	44	**(162)**
Other	3,045	—	**3,045**
Net assets	2,624	(140)	**2,484**
Equity			
Retained earnings	18,745	(136)	**18,609**
Other reserves[1]	(17,771)	(4)	**(17,775)**
Other	1,650	—	**1,650**
Total equity[2]	2,624	(140)	**2,484**

1 IFRS 15 adjustments comprise currency translation reported within Other comprehensive income.

2 The impact of IFRS 15 on total equity was previously reported at US$134m, following further review of customer contracts this amount has been refined to US$140m.

4. Recent accounting developments

There are a number of new standards and amendments to existing standards currently in issue but not yet effective, including one significant standard IFRS 16 'Leases' endorsed by the EU and effective for us for the year ending 31 March 2020.

IFRS 16

IFRS 16 removes the distinction between finance and operating leases, bringing the majority of leases onto the balance sheet for the first time. As a lessee, we will be required to recognise both a right-of-use asset and a lease liability on our balance sheet, increasing both assets and financial liabilities.

Over the life of a lease, the total expense recognised in the Group income statement will remain unchanged. Upon implementation however, there will be a reduction in operating costs and an increase in net finance costs as operating lease costs are replaced with depreciation and lease interest expense. Based on the current lease portfolio at 1 April 2019, depreciation in FY20 is expected to be approximately US$48m and the lease interest expense is expected to be approximately US$10m, offset by a reduction in other operating charges of US$58m.

At 31 March 2019 the Group has non-cancellable operating lease commitments of US$254m (note 43). As a result of applying IFRS 16, we expect to recognise right-of-use assets of approximately US$200m on 1 April 2019, matching a newly recognised lease liability.

IFRS 16 contains exemptions for low value assets and short-term leases, of which we are choosing only to apply the exemption for low value assets. Of the FY19 commitments disclosed, approximately US$10m relates to low value leases which will be recognised, on a straight-line basis, as an expense in the Group income statement. Short-term leases of approximately US$1m will be included in the right-of-use asset on transition.

In addition, US$13m of deferred lease incentives on the balance sheet at 31 March 2019 will be consolidated into the lease liability in FY20. We expect that the impact on net profit after tax for FY20 as a result of adopting the new standard will be immaterial.

The total cash outflow for lease payments is not expected to change but certain lease payments will be presented within net cash flows used in financing activities, instead of the current treatment within cash flows from operating activities. This improves our cash flow from operating activities, and increases cash flows used in financing activities.

We intend to apply the modified retrospective approach which allows matching of the opening right-of-use asset with the opening lease liability on 1 April 2019. Under this approach no restatement of comparative information is required.

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

5. Significant accounting policies

The significant accounting policies applied are summarised below. Except as described in note 3, they have been applied consistently 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. For ease of reference, the content within this note is arranged as follows:

- sections (a) to (d) – content that applies generally to the preparation of these financial statements;
- sections (e) to (o) – balance sheet policies, to be read in conjunction with specific notes as indicated;
- sections (p) to (w) – income statement policies, to be read in conjunction with specific notes as indicated; and
- section (x) – the policy and presentation principles adopted for disclosing segment information, in accordance with IFRS 8 'Operating Segments'.

(a) Basis of consolidation

Experian follows EU-IFRS including:

- IFRS 3 'Business Combinations';
- IFRS 5 'Non-current Assets Held-for-Sale and Discontinued Operations'; and
- IFRS 10 'Consolidated Financial Statements'.

The Group financial statements incorporate the financial statements of the Company and its subsidiary undertakings.

Subsidiaries

Subsidiaries are fully consolidated from the date on which control is transferred to the Group and cease to be consolidated from the date that the Group no longer has control. All business combinations are accounted for using the acquisition method.

Intra-Group transactions, balances and unrealised gains on transactions between Group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Accounting policies of subsidiaries and segments are consistent with the policies adopted by the Group for the purposes of the Group's consolidation. The Group financial statements incorporate the financial statements of the Company and its subsidiary undertakings for the year ended 31 March 2019. A list of the significant subsidiaries is given in note 45(a) to these financial statements.

Associates

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 Group financial statements include the Group's share of the profit or loss and other comprehensive income of equity-accounted investees, until the date on which significant influence ceases.

Non-controlling interests

The non-controlling interests in the Group balance sheet represent the share of net assets of subsidiary undertakings held outside the Group. The movement in the year comprises the profit attributable to such interests together with any dividends paid, movements in respect of corporate transactions and related exchange differences.

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. For purchases from non-controlling interests, the difference between any consideration paid and the relevant share acquired of the carrying value of the net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

Where put/call option agreements are in place in respect of shares held by non-controlling shareholders, the put element of the liability is stated at the net present value of the expected future payments. Such liabilities are shown as financial liabilities in the Group balance sheet. The change in the net present value of such options in the year is recognised in the Group income statement within net finance costs, while any change in that value attributable to exchange rate movements is recognised directly in Other comprehensive income.

(b) Foreign currency translation

We follow EU-IFRS, including IAS 21 'The Effects of Changes in Foreign Exchange Rates'.

Transactions and balances

Transactions in foreign currencies are recorded in the functional currency of the relevant Group undertaking at the exchange rate prevailing on the date of the transaction. At each balance sheet date, monetary assets and liabilities denominated in foreign currencies are retranslated at the exchange rate prevailing at the balance sheet date. Translation differences on monetary items are taken to the Group income statement except when recognised in Other comprehensive income (OCI), as qualifying net investment hedges or cash flow hedges. Translation differences on non-monetary available-for-sale financial assets are reported as part of the fair value gains or losses in Other comprehensive income.

Group undertakings

The results and financial position of Group undertakings whose functional currencies are not the US dollar are translated into US dollars as follows:

- Income and expenses are generally translated at the average exchange rate for the year. Where this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, income and expenses are translated at the rates on the dates of the transactions.
- Assets and liabilities are translated at the closing exchange rate on the balance sheet date.
- All resulting exchange differences are recognised in Other comprehensive income and as a separate component of equity.

Notes to the Group financial statements continued

5. Significant accounting policies continued

On consolidation, exchange differences arising from the translation of the net investment in Group undertakings whose functional currencies are not the US dollar, and of borrowings and other currency instruments designated as hedges of such investments, are recognised in Other comprehensive income to the extent that such hedges are effective. Tax attributable to those exchange differences is taken directly to Other comprehensive income. When such undertakings are sold, these exchange differences are recognised in the Group income statement as part of the gain or loss on sale. Goodwill and fair value adjustments arising on the acquisition of such undertakings are treated as assets and liabilities of the entities and are translated into US dollars at the closing exchange rate.

(c) Fair value estimation

We follow EU-IFRS, including IFRS 13 'Fair Value Measurement'. The fair values of derivative financial instruments and other financial assets and liabilities are determined by using market data and established estimation techniques such as discounted cash flow and option valuation models. The fair value of foreign exchange contracts is based on a comparison of the contractual and year-end exchange rates. The fair values of other derivative financial instruments are estimated by discounting the future cash flows to net present values, using appropriate market rates prevailing at the year-end.

(d) Impairment of non-financial assets

We follow EU-IFRS, including IAS 36 'Impairment of Assets'. Assets that are not subject to amortisation or depreciation are tested annually for impairment. Assets that are subject to amortisation or depreciation are reviewed for impairment when there is an indication that the carrying amount may not be recoverable. An impairment charge is recognised for the amount by which an asset's carrying amount exceeds its recoverable amount, which is the higher of an asset's fair value less costs of disposal, 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.

(e) Goodwill (note 21)

We follow EU-IFRS, including IAS 38 'Intangible Assets'.

Goodwill is stated at cost less any accumulated impairment, where cost is the excess of the fair value of the consideration payable for an acquisition over the fair value at the date of acquisition of the Group's share of identifiable net assets of a subsidiary or associate acquired. Fair values are attributed to the identifiable assets, liabilities and contingent liabilities that existed at the date of acquisition, reflecting their condition at that date. Adjustments are made where necessary to align the accounting policies of acquired businesses with those of the Group. Goodwill is not amortised but is tested annually for impairment. An impairment charge is recognised in the Group income statement for any amount by which the carrying value of the goodwill exceeds the recoverable amount.

Goodwill is allocated to CGUs and monitored for internal management purposes by operating segment. The allocation is made to those CGUs or groups of CGUs that are expected to benefit from the business combination in which the goodwill arose.

Gains and losses on the disposal of an undertaking take account of the carrying amount of goodwill relating to the undertaking sold, allocated where necessary on the basis of relative fair value.

(f) Other intangible assets (note 22)

Acquisition intangibles

Intangible assets acquired as part of a business combination are capitalised on acquisition at fair value and separately from goodwill, if those assets are identifiable (separable or arising from legal rights). Such assets are referred to as acquisition intangibles in these financial statements. Amortisation is charged on a straight-line basis as follows:

- Customer and other relationships – over three to 18 years, based on management's estimates of the average lives of such relationships, and reflecting their long-term nature.
- Acquired software development – over three to eight years, based on the asset's expected life.
- Marketing-related assets (trademarks and licences) – over their contractual lives, up to a maximum of 20 years.
- Marketing-related assets (trade names) – over three to 14 years, based on management's expected retention of trade names within the business.

Other intangibles

Other intangibles are capitalised at cost, in accordance with IAS 38. Certain costs incurred in the developmental phase of an internal project are capitalised provided that a number of criteria are satisfied. These include the technical feasibility of completing the asset so that it is available for use or sale, the availability of adequate resources to complete the development and to use or sell the asset, and how the asset will generate probable future economic benefit.

The cost of such assets with finite useful economic or contractual lives is amortised on a straight-line basis over those lives. The carrying values are reviewed for impairment when events or changes in circumstances indicate that the carrying values may not be recoverable. If impaired, the carrying values are written down to the higher of fair value less costs of disposal, and value-in-use which is determined by reference to projected future income streams using assumptions in respect of profitability and growth.

5. Significant accounting policies continued

Further details on the capitalisation and amortisation policy for the key asset classifications within other intangibles are:

- Databases – capitalised databases, which comprise the data purchase and capture costs of internally developed databases, are amortised over three to seven years.
- Computer software (internal use) – 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 over three to ten years.
- Computer software (internally generated) – costs directly associated with producing identifiable and unique software products controlled by the Group, and that will generate economic benefits beyond one year, are recognised as intangible assets. These costs are amortised over three to ten years.

Research expenditure, together with other costs associated with developing or maintaining computer software programs or databases, is recognised in the Group income statement as incurred.

(g) Property, plant and equipment (note 23)

Items of property, plant and equipment are held at cost less accumulated depreciation and any impairment in value, in accordance with IAS 16 'Property, Plant and Equipment'. Cost includes the original purchase price of the asset and amounts attributable to bringing the asset to its working condition for its intended use.

Leases of property, plant and equipment where the Group has substantially all the risks and rewards of ownership are classified as finance leases. Such leases are capitalised at inception at the lower of the fair value of the leased asset and the present value of the minimum lease payments.

Depreciation is charged on a straight-line basis as follows:

- Freehold properties – over 50 years.
- Short leasehold properties – over the remaining period of the lease.
- Owned plant and equipment – over three to ten years, according to the asset's estimated life. Technology-based assets are typically depreciated over three to five years, with other infrastructure assets depreciated over five to ten years.
- Plant and equipment held under finance lease agreements – over the lower of the useful life of the equipment and period of the lease.

(h) Trade and other receivables (note 25)

Trade receivables 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, receivables 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 receivables and contract assets are recognised in the Group income statement, within other operating charges.

(i) Cash and cash equivalents (note 26)

Cash and cash equivalents include cash in hand, term and call deposits held with banks and other short-term, highly liquid investments with original maturities of three months or less. Bank overdrafts are shown within borrowings in current liabilities on the Group balance sheet. For the purposes of the Group cash flow statement, cash and cash equivalents are reported net of bank overdrafts.

(j) Financial assets and liabilities (note 30)

Financial assets

We classify our financial assets into the following measurement categories, with the classification determined on initial recognition and dependent on the purpose for which such assets are acquired:

- those subsequently measured at fair value (either through OCI or through profit or loss), and
- those measured at amortised cost.

Directly attributable transaction costs are expensed where an asset is carried at 'fair value through profit and loss' (FVPL) and added to the fair value of the asset otherwise.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely a payment of principal and interest.

Notes to the Group financial statements continued

5. Significant accounting policies continued

Debt instruments

Measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies debt instruments:

- Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows are solely repayments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any impairment, or gain or loss on derecognition, is recognised directly in the Group income statement.
- Fair value through Other comprehensive income (FVOCI): Assets that are held both for the collection of contractual cash flows and for their sale, where the asset's cash flows solely represent payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, however recognition of impairment gains or losses, interest income and foreign exchange gains or losses are recognised in the Group income statement.
- FVPL: Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt instrument that is subsequently measured at FVPL is recognised in the Group income statement and presented net within other gains or losses in the period in which it arises.

Equity instruments

We measure all equity instruments at fair value. Where we have elected to present fair value gains or losses on equity investments in OCI, there is no subsequent reclassification of fair value gains or losses to the Group income statement following the derecognition of the investment. Dividends from such investments are normally recognised as other income when the Group's right to receive payments is established.

Changes in the fair value of financial assets at FVPL are recognised in other gains or losses in the Group income statement. Impairment losses, and reversals of impairment losses, on equity investments measured at FVOCI are not reported separately from other changes in fair value.

Impairment

The loss allowances for financial assets are based on assumptions about significant increases in credit risk and subsequent risk of default. We use judgment in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's history, existing market conditions as well as forward-looking estimates at the end of each reporting period.

Financial liabilities

Financial liabilities are measured subsequently at amortised cost using the effective interest method or at FVPL. Financial liabilities are classified as at FVPL when the financial liability is held for trading, it is a derivative or it is designated as at FVPL on initial recognition. Financial liabilities at FVPL are measured at fair value, with any net gains or losses arising on changes in fair value, including any interest expense recognised in the Group income statement.

Other financial liabilities are subsequently measured at amortised cost using the effective interest rate method. Interest expense, foreign exchange gains and losses and any gain or loss on derecognition are recognised in the Group income statement.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments, including all fees that form an integral part of the effective interest rate, transaction costs and other premiums or discounts, through the expected life of the financial liability.

Derivatives used for hedging

The Group uses derivative financial instruments to manage its exposures to fluctuations in foreign exchange rates, interest rates and certain obligations relating to share incentive plans, including social security obligations. Instruments used include interest rate swaps, cross-currency swaps, foreign exchange contracts and equity swaps. These are recognised as assets or liabilities as appropriate and are classified as non-current, unless they mature within one year of the balance sheet date.

Derivatives are initially recognised at their fair value on the date the contract is entered into, and are subsequently remeasured at their fair value. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument and, if so, the nature of the hedge relationship.

The Group designates certain derivatives as fair value hedges, which are hedges of the fair value of a recognised asset or liability. The Group does not currently enter into cash flow or net investment hedges.

Hedging derivatives

We document the relationship between hedging instruments and hedged items, and our risk management objective and strategy for undertaking hedge transactions, at the hedge inception. We also document our assessment of whether the derivatives used in hedging meet the hedge effectiveness criteria set out in IFRS 9. This assessment is performed at every reporting date throughout the life of the hedge to confirm that the hedge continues to meet the hedge effectiveness criteria. Hedge accounting is discontinued when the hedging instrument expires, is sold, terminated or exercised, or no longer qualifies for hedge accounting.

Amounts payable or receivable in respect of interest rate swaps, together with the interest differentials reflected in foreign exchange contracts, are recognised in net finance costs over the period of the contract.

Changes in the fair value of derivatives that are designated and qualify as fair value hedging instruments are recognised in the Group income statement, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk. The ineffective portion of a fair value hedge is recognised in net finance costs in the Group income statement.

5. Significant accounting policies continued

Non-hedging derivatives

Changes in the fair value of such derivative instruments are recognised immediately in the Group income statement. Cost and income amounts in respect of derivatives entered into in connection with social security obligations on employee share incentive plans, other than amounts of a financing nature, are charged or credited within labour costs. Other costs and changes in the fair value of such derivatives are charged or credited within financing fair value remeasurements in the Group income statement.

(k) Trade and other payables (note 27)

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

(l) Borrowings (note 28)

Borrowings are recognised initially at fair value, net of any transaction costs incurred. Borrowings are subsequently stated at amortised cost, except where they are hedged by an effective fair value hedge, in which case the carrying value is adjusted to reflect the fair value movements associated with the hedged risk.

Borrowings are classified as non-current to the extent that the Group has an unconditional right to defer settlement of the liability for at least one year after the balance sheet date.

(m) Post-employment benefit assets and obligations (note 35)

Defined benefit pension arrangements – funded plans

The post-employment benefit assets and obligations recognised in the Group balance sheet in respect of funded plans comprise the fair value of plan assets of funded plans 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 pound 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 Group statement of comprehensive income.

The pension cost recognised in the Group income statement comprises the cost of benefits accrued plus interest on the opening net defined benefit obligation. Service costs and financing income and expenses are recognised separately in the Group income statement. 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 Group income statement represents the contributions payable by the Group to these funds, 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 funded defined benefit pension arrangements.

Actuarial gains and losses arising from experience adjustments, and changes in actuarial assumptions, are recognised in the Group statement of comprehensive income. The cost recognised in the Group income statement comprises only interest on the obligation.

(n) Own shares (note 39)

The Group has a number of equity-settled, share-based employee incentive plans. In connection with these, shares in the Company are held by The Experian plc Employee Share Trust and the Experian UK Approved All-Employee Share Plan. The assets of these entities mainly comprise Experian plc shares, which are shown as a deduction from equity at cost.

Shares in the Company purchased and held as treasury shares, in connection with the above plans and any share purchase programme, are also shown as a deduction from equity at cost. The par value of shares in the Company that are purchased and cancelled, in connection with any share purchase programme, is accounted for as a reduction in called-up share capital with any cost in excess of that amount being deducted from retained earnings.

(o) Assets and liabilities classified as held-for-sale

Assets and liabilities are classified as held-for-sale when their carrying amounts are to be recovered or settled principally through a sale transaction and a sale is considered highly probable. They are stated at the lower of the carrying amount and fair value less costs to sell. No depreciation or amortisation is charged in respect of non-current assets classified as held-for-sale.

Notes to the Group financial statements continued

5. Significant accounting policies continued

(p) Revenue recognition (note 9)

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.

- Revenue in respect of the provision and processing of transactional data is recognised in the period in which the service is provided.
- Revenue 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 revenue recognised when the combined offering is delivered to the customer. These services are distinguished between Experian-hosted solutions, where revenue is spread over the period that the service is available to the customer, and on-premise software licence arrangements, where revenue is recognised on delivery completion.
- The delivery of support and maintenance agreements is generally considered to be a separate performance obligation and revenue is recognised on a straight-line basis over the term of the maintenance period.
- Professional services revenues which form a separate performance obligation are recognised as the services are delivered.

Sales are typically invoiced in the geographic area in which the customer is located. As a result, the geographic location of the invoicing undertaking is used to attribute revenue to individual countries.

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 receivable. This typically arises where the timing of the related billing cycle occurs in a period after the performance obligation is satisfied.

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 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.

(q) Operating charges

Operating charges are reported by nature in the Group income statement, reflecting the Group's cost-management control structure.

Details of the types of charges within labour costs in respect of share incentive plans are set out in note 5(t). Those for post-employment benefits are set out in note 5(m).

Details of the Group's amortisation and depreciation policy are given in notes 5(f) and 5(g). The principles upon which impairment charges on tangible and intangible assets are recognised are set out in notes 5(d) and 5(e).

Payments made under operating leases are charged in the Group income statement on a straight-line basis over the lease period. Incentives from lessors are recognised as a systematic reduction of the charge over the lease period.

(r) Net finance costs (note 16)

Incremental transaction costs which are directly attributable to the issue of debt are capitalised and amortised over the expected life of the borrowing, using the effective interest rate method. All other borrowing costs are charged in the Group income statement in the year in which they are incurred.

Amounts payable or receivable in respect of interest rate swaps are taken to net finance costs over the periods of the contracts, together with the interest differentials reflected in foreign exchange contracts.

Details of the nature of movements in the fair value of derivatives which are reported as financial fair value remeasurements are included in note 5(j). The change in the year in the present value of put/call option agreements, in respect of shares held by non-controlling shareholders, is recognised as a financing fair value remeasurement within net finance costs.

5. Significant accounting policies continued

(s) Tax (note 17)

The tax charge or credit for the year is recognised in the Group income statement, except for tax on items recognised in Other comprehensive income or directly in equity.

Current tax is calculated on the basis of the tax laws substantively enacted at the balance sheet date, in the countries where the Group operates. Current tax assets and liabilities are offset where there is a legally enforceable right of offset.

Uncertain tax positions are considered on an individual basis. Where management considers it probable that an additional outflow will result from any given position, a provision is made. Such provisions are measured using management's best estimate of the most likely outcome. Further details are given in note 6.

Deferred tax is provided in full on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the Group financial statements. Deferred tax is not recognised on taxable temporary differences arising on the initial recognition of goodwill. Deferred tax is not accounted for when it arises from the initial recognition of an asset or liability in a transaction, other than a business combination, that at the time of the transaction affects neither accounting nor taxable profit or loss. 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 enacted or substantively enacted by the balance sheet date, in the countries where the Group operates.

Deferred tax assets are recognised in respect of tax losses carried forward and other temporary differences, to the extent that it is probable that the related tax benefit will be realised through future taxable profits. Deferred tax is provided on temporary differences arising on investments in subsidiaries and associates, except where the Group controls the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets and liabilities are offset where there is a legally enforceable right to offset current tax assets and liabilities and where they relate to the same tax authority.

(t) Share incentive plans (note 33)

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 Group 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.

(u) Contingent consideration

Contingent consideration is recognised in accordance with EU-IFRS, including IFRS 3. The initially recorded cost of any acquisition includes a reasonable estimate of the fair value of any contingent amounts expected to be payable in the future. Any cost or benefit arising when such estimates are revised is recognised in the Group income statement (see note 15).

Where part or all of the amount of disposal consideration is contingent on future events, the disposal proceeds initially recorded include a reasonable estimate of the value of the contingent amounts expected to be receivable and payable in the future. The proceeds and profit or loss on disposal are adjusted when revised estimates are made, with corresponding adjustments made to receivables and payables as appropriate, until the ultimate outcome is known and the related consideration received.

(v) Discontinued operations (note 18)

A discontinued operation is a component of the Group's business that represents a separate geographic area of operation or a separate major line of business. Classification as a discontinued operation occurs upon disposal or earlier, if the operation meets the criteria to be classified as held-for-sale. Discontinued operations are presented in the Group income statement as a separate line and are shown net of tax.

When an operation is classified as a discontinued operation, comparatives in the Group income statement and the Group statement of comprehensive income are re-presented as if the operation had been discontinued from the start of the comparator year.

(w) Earnings per share (EPS) (note 19)

Earnings per share are reported in accordance with EU-IFRS, including IAS 33.

(x) Segment information policy and presentation principles (note 10)

We are organised into, and managed on a worldwide basis through, the following five operating segments, which are based on geographic areas and supported by central functions:

- North America
- Latin America
- UK and Ireland
- Europe, Middle East and Africa (EMEA) and
- Asia Pacific.

The chief operating decision maker assesses the performance of these operating segments on the basis of Benchmark EBIT, as defined in note 7.

Notes to the Group financial statements continued

5. Significant accounting policies continued

The 'All other segments' category required to be disclosed has been captioned as EMEA/Asia Pacific in these financial statements. This combines information in respect of the EMEA and Asia Pacific segments, as neither of these operating segments is individually reportable, on the basis of their share of the Group's revenue, reported profit or loss, and assets.

We separately present information equivalent to segment disclosures in respect of the costs of our central functions, under the caption 'Central Activities', as management believes that this information is helpful to users of the financial statements. Costs reported for Central Activities include costs arising from finance, treasury and other global functions.

Inter-segment transactions are entered into under the normal commercial terms and conditions that would be available to third parties. Such transactions do not have a material impact on the Group's results.

Segment assets consist primarily of property, plant and equipment, intangible assets including goodwill, inventories, derivatives designated as hedges of future commercial transactions, contract assets and receivables. They exclude tax assets, cash and cash equivalents, and derivatives designated as hedges of borrowings. Segment liabilities comprise operating and contract liabilities, including derivatives designated as hedges of future commercial transactions. They exclude tax liabilities, borrowings and related hedging derivatives. Net assets reported for Central Activities comprise corporate head office assets and liabilities, including certain post-employment benefit assets and obligations, and derivative assets and liabilities. Capital expenditure comprises additions to property, plant and equipment and intangible assets, other than additions through business combinations.

Information required to be presented also includes analysis of the Group's revenues by groups of service lines. This is supplemented by voluntary disclosure of the profitability of those groups of service lines. For ease of reference, we continue to use the term 'business segments' when discussing the results of groups of service lines. Our two business segments, details of which are given in the Strategic report section of this Annual Report, are:

- Business-to-Business
- Consumer Services.

The North America and the UK and Ireland operating segments derive revenues from both of the Group's business segments. The EMEA and Asia Pacific segments currently do not derive revenue from the Consumer Services business segment and such revenue generated in the Latin America segment is not yet sufficiently material to be disclosed separately.

Reportable segment information for the full-year provided to the chief operating decision maker is set out in note 10(a).

6. Critical accounting estimates, assumptions and judgments

(a) Critical accounting estimates and assumptions

In preparing these financial statements, management is required to make estimates and assumptions that affect the reported amount of revenues, expenses, assets, liabilities and the disclosure of contingent liabilities. The resulting accounting estimates, which are based on management's best judgment at the date of these financial statements, will seldom equal the subsequent actual amounts. 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.

Tax (notes 17, 36 and 44(b))

The Group is subject to tax in numerous jurisdictions. The Group has a number of open tax returns with various tax authorities with whom it is in active dialogue. Liabilities relating to these open and judgmental matters are based on an assessment as to whether additional taxes will be due, after taking into account external advice where appropriate. Significant judgment is required in determining the related assets or provisions, as there are transactions in the ordinary course of business and calculations for which the ultimate tax determination is uncertain. The Group recognises liabilities based on estimates of whether additional tax will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, the differences will affect the results for the year and the respective income tax and deferred tax assets or provisions in the year in which such determination is made. The Group recognises deferred tax assets based on forecasts of future profits against which those assets may be utilised.

Goodwill (note 21)

The Group tests goodwill for impairment annually, or more frequently if there is an indication that it may be impaired. The recoverable amount of each CGU is generally determined on the basis of value-in-use calculations, which require the use of cash flow projections based on 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 CGU's markets. The discount rates used reflect the Group's pre-tax weighted average cost of capital (WACC), as adjusted for region specific risks and other factors.

6. Critical accounting estimates, assumptions and judgments continued

(b) Critical judgments

In applying the Group's accounting policies, management has made judgments that have a significant effect on the amounts recognised in the Group financial statements and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

The most significant of these judgments are in respect of intangible assets and contingencies:

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 of intangible assets are estimated at between three and ten years for internal projects and between two and 20 years for acquisition intangibles. Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

Further details of the amounts of, and movements in, such assets are given in note 22.

Contingencies

In the case of pending and threatened litigation claims, management has formed a judgment as to the likelihood of ultimate liability. No liability has been recognised where the likelihood of any loss arising is possible rather than probable.

7. Use of non-GAAP measures in the Group financial statements

As detailed below, the Group has identified and defined certain measures that it uses to understand and manage its performance. The measures are not defined under IFRS and they may not be directly comparable with other companies' adjusted measures. These non-GAAP measures are not intended to be a substitute for any IFRS measures of performance but management has included them as they consider them to be key measures used within the business for assessing the underlying performance of the Group's ongoing businesses.

(a) Benchmark profit before tax (Benchmark PBT) (note 10(a)(i))

Benchmark PBT is disclosed to indicate the Group's underlying profitability. It is defined as profit before amortisation and impairment of acquisition intangibles, impairment of goodwill, acquisition expenses, adjustments to contingent consideration, Exceptional items, financing fair value remeasurements, tax (and interest thereon) and discontinued operations. It includes the Group's share of continuing associates' post-tax results.

An explanation of the basis on which we report Exceptional items is provided below. Other adjustments made to derive Benchmark PBT are explained as follows:

- Charges for the amortisation and impairment of acquisition intangibles are excluded from the calculation of Benchmark PBT because these charges are based on judgments about their value and economic life and bear no relation to the Group's underlying ongoing performance. Impairment of goodwill is similarly excluded from the calculation of Benchmark PBT.
- Acquisition and disposal expenses (representing the incidental costs of acquisitions and disposals, one-time integration costs and other corporate transaction expenses) relating to successful, active or aborted acquisitions and disposals are excluded from the definition of Benchmark PBT as they bear no relation to the Group's underlying ongoing performance or to the performance of any acquired businesses. Adjustments to contingent consideration are similarly excluded from the definition of Benchmark PBT.
- Charges and credits for financing fair value remeasurements within finance expense in the Group income statement are excluded from the definition of Benchmark PBT. These include retranslation of intra-Group funding, and that element of the Group's derivatives that is ineligible for hedge accounting, together with gains and losses on put options in respect of acquisitions. Amounts recognised generally arise from market movements and accordingly bear no direct relation to the Group's underlying performance.

Notes to the Group financial statements continued

7. Use of non-GAAP measures in the Group financial statements continued

(b) Benchmark earnings before interest and tax (Benchmark EBIT) and margin (Benchmark EBIT margin) (note 10(a)(i))

Benchmark EBIT is defined as Benchmark PBT before the net interest expense charged therein and accordingly excludes Exceptional items as defined below. Benchmark EBIT margin is Benchmark EBIT from ongoing activities expressed as a percentage of revenue from ongoing activities.

(c) Benchmark earnings before interest, tax, depreciation and amortisation (Benchmark EBITDA)

Benchmark EBITDA is defined as Benchmark EBIT before the depreciation and amortisation charged therein (note 13).

(d) Exited business activities

Exited business activities are businesses sold, closed or identified for closure during a financial year. These are treated as exited business activities for both revenue and Benchmark EBIT purposes. The results of exited business activities are disclosed separately with the results of the prior period re-presented in the segmental analyses as appropriate. This measure differs from the definition of discontinued operations in IFRS 5.

(e) Ongoing activities

The results of businesses trading at 31 March 2019, which are not disclosed as exited business activities, are reported as ongoing activities.

(f) Constant exchange rates

To highlight our organic performance, we discuss our results in terms of growth at constant exchange rates, unless otherwise stated. This represents growth calculated after translating both years' performance at the prior year's average exchange rates.

(g) Total growth (note 10(a)(ii))

This is the year-on-year change in the performance of our activities at actual exchange rates. Total growth at constant exchange rates removes the translational foreign exchange effects arising on the consolidation of our activities and comprises one of our measures of performance at constant exchange rates.

(h) Organic revenue growth (note 10(a)(ii))

This is the year-on-year change in the revenue of ongoing activities, translated at constant exchange rates, excluding acquisitions until the first anniversary of their consolidation.

(i) Benchmark earnings and Total Benchmark earnings (note 19)

Benchmark earnings comprise Benchmark PBT less attributable tax and non-controlling interests. The attributable tax for this purpose excludes significant tax credits and charges arising in the year which, in view of their size or nature, are not comparable with previous years, together with tax arising on Exceptional items and on other adjustments made to derive Benchmark PBT. Benchmark PBT less attributable tax is designated as Total Benchmark earnings.

(j) Benchmark earnings per share (Benchmark EPS) (note 19)

Benchmark EPS comprises Benchmark earnings divided by the weighted average number of issued ordinary shares, as adjusted for own shares held.

(k) Benchmark PBT per share

Benchmark PBT per share comprises Benchmark PBT divided by the weighted average number of issued ordinary shares, as adjusted for own shares held.

(l) Benchmark tax charge and rate (note 17(b)(ii))

The Benchmark tax charge is the tax charge applicable to Benchmark PBT. It differs from the Group tax charge by tax attributable to Exceptional items and other adjustments made to derive Benchmark PBT, and exceptional tax charges. A reconciliation is provided in note 17(b)(ii) to these financial statements. The Benchmark effective rate of tax is calculated by dividing the Benchmark tax charge by Benchmark PBT.

(m) Exceptional items (note 15(a))

The separate reporting of Exceptional items gives an indication of the Group's underlying performance. Exceptional items include those arising from the profit or loss on disposal of businesses, closure costs of major business units, costs of significant restructuring programmes and other financially significant one-off items. All other restructuring costs are charged against Benchmark EBIT, in the segments in which they are incurred.

(n) Full-year dividend per share (note 20)

Full-year dividend per share comprises the total of dividends per share announced in respect of the financial year.

(o) Benchmark operating and Benchmark free cash flow

Benchmark operating cash flow is Benchmark EBIT plus amortisation, depreciation and charges in respect of share-based incentive plans, less capital expenditure net of disposal proceeds and adjusted for changes in working capital and the profit or loss retained in continuing associates. Benchmark free cash flow is derived from Benchmark operating cash flow by excluding net interest, tax paid in respect of continuing operations and dividends paid to non-controlling interests.

(p) Cash flow conversion

Cash flow conversion is Benchmark operating cash flow expressed as a percentage of Benchmark EBIT.

(q) Net debt and Net funding (note 29)

Net debt is borrowings (and the fair value of derivatives hedging borrowings) excluding accrued interest, less cash and cash equivalents and other highly liquid bank deposits with original maturities greater than three months. Net funding is borrowings (and the fair value of the effective portion of derivatives hedging borrowings) excluding accrued interest, less cash held in Group Treasury.

(r) Return on capital employed (ROCE) (note 10(a)(iii))

ROCE is defined as Benchmark EBIT less tax at the Benchmark rate divided by a three-point average of capital employed, in continuing operations, over the year. Capital employed is net assets less non-controlling interests, further adjusted to add or deduct the net tax liability or asset and to add Net debt.

8. Financial risk management

(a) Financial risk factors

The Group's activities expose it to a variety of financial risks. These are market risk, including foreign exchange risk and interest rate risk, credit risk, and liquidity risk. These risks are unchanged from those reported in the 2018 Annual Report. The numeric disclosures in respect of financial risks are included within later notes to the financial statements, to provide a more transparent link between financial risks and results. Financial risks represent part of the Group's risks in relation to its strategy and business objectives. There is a full discussion of the most significant risks in the Risk management section of this Annual Report. The Group's financial risk management focuses on the unpredictability of financial markets and seeks to minimise potentially adverse effects on the Group's financial performance. The Group seeks to reduce its exposure to financial risks and uses derivative financial instruments to hedge certain risk exposures. However, the Group does not, nor does it currently intend to, borrow in the Brazilian real or the Colombian peso.

The Group also ensures surplus funds are prudently managed and controlled.

Market risk

Foreign exchange risk

The Group is exposed to foreign exchange risk from future commercial transactions, recognised assets and liabilities and investments in, and loans between, Group undertakings with different functional currencies. The Group manages such risk, primarily within undertakings whose functional currencies are the US dollar, by:

- entering into forward foreign exchange contracts in the relevant currencies in respect of investments in entities with functional currencies other than the US dollar, whose net assets are exposed to foreign exchange translation risk;
- swapping the proceeds of certain bonds issued in the pound sterling and euros into the US dollar;
- denominating internal loans in relevant currencies, to match the currencies of assets and liabilities in entities with different functional currencies; and
- using forward foreign exchange contracts to hedge certain future commercial transactions.

The principal transaction exposures are to the pound sterling and the euro. An indication of the sensitivity to foreign exchange risk is given in note 11.

Interest rate risk

The Group's interest rate risk arises principally from components of its Net debt that are at variable rates.

The Group has a policy of normally maintaining between 30% and 70% of Net funding at rates that are fixed for more than six months. The Group manages its interest rate exposure by:

- using fixed and floating rate borrowings, interest rate swaps and cross-currency interest rate swaps to adjust the balance between the two; and
- mixing the duration of borrowings and interest rate swaps to smooth the impact of interest rate fluctuations.

Further information in respect of the Group's net finance costs for the year and an indication of the sensitivity to interest rate risk is given in note 16.

Credit risk

In the case of derivative financial instruments, deposits, contract assets and trade receivables, the Group is exposed to credit risk from the non-performance of contractual agreements by the contracted party.

Credit risk is managed by:

- only entering into contracts for derivative financial instruments and deposits with banks and financial institutions with strong credit ratings, within limits set for each organisation; and
- closely controlling dealing activity and regularly monitoring counterparty positions.

The credit risk on derivative financial instruments utilised and deposits held by the Group is therefore not considered to be significant. The Group does not anticipate that any losses will arise from non-performance by its chosen counterparties. Further information on the Group's derivative financial instruments at the balance sheet dates is given in note 30 and that in respect of amounts recognised in the Group income statement is given in note 16. Further information on the Group's cash and cash equivalents at the balance sheet dates is given in note 26.

To minimise credit risk for trade receivables, the Group has implemented policies that require appropriate credit checks on potential clients before granting credit. The maximum credit risk in respect of such financial assets is their carrying value. Further information in respect of the Group's trade receivables is given in note 25.

Debt investments

All of the Group's debt investments at amortised cost and FVOCI are considered to have low credit risk, the loss allowance is therefore limited to 12 months' expected losses. Management considers 'low credit risk' for listed bonds to be an investment-grade credit rating with at least one major rating agency. Other instruments are considered to be low credit risk when they have a low risk of default and the issuer has a high capacity to meet its contractual cash flow obligations in the near term.

Financial Assets at FVPL

The Group is also exposed to credit risk in relation to debt investments that are measured at fair value through profit or loss. The maximum exposure at the end of the reporting period is the carrying amount of these investments.

Liquidity risk

The Group manages liquidity risk by:

- issuing long maturity bonds and notes;
- entering into long-term committed bank borrowing facilities, to ensure the Group has sufficient funds available for operations and planned growth; and
- monitoring rolling cash flow forecasts, to ensure the Group has adequate, unutilised committed borrowing facilities.

Details of such facilities are given in note 28. A maturity analysis of contractual undiscounted future cash flows for financial liabilities is provided in note 32.

Notes to the Group financial statements continued

8. Financial risk management continued

(b) Capital risk management

The Group's definition and management of capital focuses on capital employed:

– The Group's capital employed is reported in the net assets summary table set out in the Financial review and analysed by segment in note 10(a)(iii).

– As part of its internal reporting processes, the Group monitors capital employed by operating segment.

The Group's objectives in managing capital are to:

– safeguard its ability to continue as a going concern, in order to provide returns for shareholders and benefits for other stakeholders; and

– maintain an optimal capital structure and cost of capital.

The Group's policy is to have:

– a prudent but efficient balance sheet; and

– a target leverage ratio of 2.0 to 2.5 times Benchmark EBITDA, consistent with the intention to retain strong investment-grade credit ratings.

To maintain or adjust its capital structure, the Group may:

– adjust the amount of dividends paid to shareholders;

– return capital to shareholders;

– issue or purchase our own shares; or

– sell assets to reduce Net debt.

Dividend policy

The Group has a progressive dividend policy which aims to increase the dividend over time broadly in line with the underlying growth in Benchmark EPS. This aligns shareholder returns with the underlying profitability of the Group. In determining the level of dividend in any one year, in accordance with the policy, the Board also considers a number of other factors, including the outlook for the Group, the opportunities for organic investment, the opportunities to make acquisitions and disposals, the cash flow generated by the Group, and the level of dividend cover. Further detail on the distributable reserves of the Company can be found in note K to the Company financial statements.

9. Revenue

The effect of initially applying IFRS 15 on the Group's revenue from contracts with customers is described in note 3.

(a) Disaggregation of revenue from contracts with customers

Year ended 31 March 2019	North America US$m	Latin America US$m	UK and Ireland US$m	EMEA/ Asia Pacific US$m	Total operating segments US$m
Revenue from external customers					
Data	**1,468**	**594**	**388**	**175**	**2,625**
Decisioning	**623**	**113**	**262**	**247**	**1,245**
Business-to-Business	**2,091**	**707**	**650**	**422**	**3,870**
Consumer Services	**822**	**—**	**163**	**—**	**985**
Total ongoing activities	**2,913**	**707**	**813**	**422**	**4,855**

Year ended 31 March 2018 (Restated) (Note 3)	North America US$m	Latin America US$m	UK and Ireland US$m	EMEA/ Asia Pacific US$m	Total operating segments US$m
Revenue from external customers					
Data	1,302	668	376	172	2,518
Decisioning	560	110	241	216	1,127
Business-to-Business	1,862	778	617	388	3,645
Consumer Services	756	—	171	—	927
Total ongoing activities	2,618	778	788	388	4,572

Total revenue comprises of revenue from ongoing activities as well as revenue from exited business activities and is reconciled in note 10. Revenue in respect of exited business activities of US$6m (2018: US$12m) comprised of UK and Ireland Decisioning revenue of US$6m (2018: US$6m), North America Data revenue of US$nil (2018: US$5m) and UK and Ireland Data revenue of US$nil (2018: US$1m).

Data is predominantly transactional revenue. Decisioning is predominantly revenue from software licence and delivery services. Consumer Services is predominantly subscription and transactional revenue. The timing of revenue recognition in relation to these revenue streams is discussed in note 5(p).

9. Revenue continued

(b) 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 US$104m (2018: US$77m). 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 receivables when the right to consideration becomes unconditional, or conditional only on the passage of time. Contract assets reclassified to receivables during the year totalled US$61m (2018: US$49m).

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 US$448m (2018: US$412m) was included in the opening contract liability. Cash received in advance not recognised as revenue in the year was US$390m (2018: US$484m).

Foreign exchange accounts for US$6m and US$31m of the decrease in contract asset and contract liability balances in the year respectively (2018: US$5m and US$25m increase in balances).

(c) Contract costs

The carrying amount of assets recognised from costs to obtain and costs to fulfil contracts with customers at 31 March 2019 is US$26m and US$74m respectively (2018: US$24m and US$85m).

Amortisation of contract costs in the year is US$77m (2018: US$90m) and recognised impairment losses totalled US$1m (2018: US$nil).

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 Group reasonably expects that the effects of applying a portfolio approach does not differ materially from calculating the amounts at an individual contract level.

(d) Transaction price allocated to remaining performance obligations

The aggregate amount of the transaction price from non-cancellable contracts with customers with expected durations of 12 months or more, allocated to the performance obligations that are unsatisfied, or partially satisfied, at 31 March 2019 is US$5.5bn. We expect to recognise approximately 41% of this value within one year, 27% within one to two years, 14% within two to three years and 18% thereafter.

The aggregate amount of the transaction price allocated to unsatisfied, or partially satisfied, performance obligations which are transactional in nature includes estimates of variable consideration. These estimates are based on forecast transactional volumes and do not take into account external market factors which may have an impact on the future revenue recognised from such contracts.

A portfolio approach has been applied to calculate the aggregate amount of the transaction price allocated to the unsatisfied, or partially satisfied, performance obligations for contracts with similar characteristics, where the Group reasonably expects that the effects of applying a portfolio approach does not differ materially from calculating the amounts at an individual contract level.

We apply the practical expedient in paragraph 121(a) of IFRS 15 and do not disclose information about remaining performance obligations that have original expected durations of one year or less. This excludes contracts across a number of business units which have revenue due to be recognised in the financial year ending 31 March 2020; it also excludes the majority of our direct-to-consumer arrangements.

We applied the practical expedient in paragraph C5(d) of IFRS 15 and do not disclose the amount of the transaction price allocated to the remaining performance obligations or an explanation of when we expected to recognise that amount as revenue for the year ended 31 March 2018.

Notes to the Group financial statements continued

10. Segment information

(a) IFRS 8 disclosures

(i) Income statement

Year ended 31 March 2019	North America US$m	Latin America US$m	UK and Ireland US$m	EMEA/ Asia Pacific US$m	Total operating segments US$m	Central Activities US$m	Total continuing operations US$m
Revenue from external customers							
Ongoing activities	2,913	707	813	422	4,855	—	4,855
Exited business activities	—	—	6	—	6	—	6
Total	2,913	707	819	422	4,861	—	4,861
Reconciliation from Benchmark EBIT to profit/(loss) before tax							
Benchmark EBIT							
Ongoing activities	940	231	230	3	1,404	(98)	1,306
Exited business activities	—	—	5	—	5	—	5
Total	940	231	235	3	1,409	(98)	1,311
Net interest expense included in Benchmark PBT (note 16(b))	—	—	—	—	—	(113)	(113)
Benchmark PBT	940	231	235	3	1,409	(211)	1,198
Exceptional items (note 15(a))	—	(4)	9	—	5	—	5
Amortisation of acquisition intangibles	(80)	(18)	(9)	(4)	(111)	—	(111)
Acquisition and disposal expenses	(8)	—	(9)	(7)	(24)	—	(24)
Adjustment to the fair value of contingent consideration	(14)	—	(2)	—	(16)	—	(16)
Interest on uncertain tax provisions	—	—	—	—	—	(14)	(14)
Financing fair value remeasurements (note 16(c))	—	—	—	—	—	(81)	(81)
Profit/(loss) before tax	838	209	224	(8)	1,263	(306)	957

Year ended 31 March 2018	North America US$m	Latin America US$m	UK and Ireland US$m	EMEA/ Asia Pacific US$m	Total operating segments US$m	Central Activities US$m	Total continuing operations US$m
Revenue from external customers							
Ongoing activities	2,618	778	788	388	4,572	—	4,572
Exited business activities	5	—	7	—	12	—	12
Total	2,623	778	795	388	4,584	—	4,584
Reconciliation from Benchmark EBIT to profit/(loss) before tax							
Benchmark EBIT							
Ongoing activities	821	259	235	5	1,320	(79)	1,241
Exited business activities	1	—	5	—	6	—	6
Total	822	259	240	5	1,326	(79)	1,247
Net interest expense included in Benchmark PBT (note 16(b))	—	—	—	—	—	(85)	(85)
Benchmark PBT	822	259	240	5	1,326	(164)	1,162
Exceptional items (note 15(a))	(57)	—	—	—	(57)	—	(57)
Amortisation of acquisition intangibles	(79)	(20)	(9)	(4)	(112)	—	(112)
Acquisition expenses	(13)	—	(5)	(2)	(20)	—	(20)
Adjustment to the fair value of contingent consideration	—	—	(3)	—	(3)	—	(3)
Fair value gain on step acquisition	—	—	4	—	4	—	4
Interest on uncertain tax provisions	—	—	—	—	—	(20)	(20)
Financing fair value remeasurements (note 16(c))	—	—	—	—	—	(4)	(4)
Profit/(loss) before tax	673	239	227	(1)	1,138	(188)	950

A profit before tax of US$22m arose in the year ended 31 March 2018 in respect of discontinued operations. Further information on such operations which comprise CCM is given in note 18(a).

Revenue and Benchmark EBIT for the year ended 31 March 2018 have been restated following the adoption of IFRS 15 and the reclassification to exited business activities of certain B2B businesses.

Additional information by operating segment, including that on total and organic growth at constant exchange rates, is provided in the Strategic report.

10. Segment information continued

(ii) Reconciliation of revenue from ongoing activities

	North America US$m	Latin America US$m	UK and Ireland US$m	EMEA/ Asia Pacific US$m	Total ongoing activities US$m
Revenue for the year ended 31 March 2018 (Restated) (Note 3)	**2,618**	**778**	**788**	**388**	**4,572**
Adjustment to constant exchange rates	**—**	**(2)**	**3**	**(1)**	**—**
Revenue at constant exchange rates for the year ended 31 March 2018	**2,618**	**776**	**791**	**387**	**4,572**
Organic revenue growth	**264**	**49**	**33**	**53**	**399**
Revenue from acquisitions	**31**	**—**	**1**	**—**	**32**
Revenue at constant exchange rates for the year ended 31 March 2019	**2,913**	**825**	**825**	**440**	**5,003**
Adjustment to actual exchange rates	**—**	**(118)**	**(12)**	**(18)**	**(148)**
Revenue for the year ended 31 March 2019	**2,913**	**707**	**813**	**422**	**4,855**
Organic revenue growth at constant rates	**10%**	**6%**	**4%**	**14%**	**9%**
Total revenue growth at constant rates	**11%**	**6%**	**4%**	**14%**	**9%**

The table above demonstrates the application of the methodology set out in note 7 in determining organic and total revenue growth at constant exchange rates. Revenue at constant exchange rates is reported for both years using the average exchange rates applicable for the year ended 31 March 2018.

(iii) Balance sheet

Net assets/(liabilities)

At 31 March 2019	**North America US$m**	**Latin America US$m**	**UK and Ireland US$m**	**EMEA/ Asia Pacific US$m**	**Total operating segments US$m**	**Central Activities and other US$m**	**Total Group US$m**
Goodwill	**2,776**	**671**	**671**	**206**	**4,324**	**—**	**4,324**
Investments in associates	**24**	**—**	**59**	**9**	**92**	**30**	**122**
Other assets	**1,567**	**523**	**478**	**297**	**2,865**	**776**	**3,641**
Total assets	**4,367**	**1,194**	**1,208**	**512**	**7,281**	**806**	**8,087**
Total liabilities	**(814)**	**(180)**	**(353)**	**(194)**	**(1,541)**	**(4,052)**	**(5,593)**
Net assets/(liabilities)	**3,553**	**1,014**	**855**	**318**	**5,740**	**(3,246)**	**2,494**

At 31 March 2018	North America US$m	Latin America US$m	UK and Ireland US$m	EMEA/ Asia Pacific US$m	Total operating segments US$m	Central Activities and other US$m	Total Group US$m
Goodwill	2,728	782	717	225	4,452	—	4,452
Investments in associates	21	—	62	8	91	34	125
Other assets[1]	1,583	591	491	310	2,975	748	3,723
Total assets	4,332	1,373	1,270	543	7,518	782	8,300
Total liabilities[1]	(772)	(199)	(428)	(237)	(1,636)	(4,180)	(5,816)
Net assets/(liabilities)	3,560	1,174	842	306	5,882	(3,398)	2,484

1 Other assets and total liabilities for the year ended 31 March 2018 have been restated following the adoption of IFRS 15.

Central Activities and other comprises:

	2019			2018		
	Assets US$m	**Liabilities US$m**	**Net assets/ (liabilities) US$m**	Assets US$m	Liabilities US$m	Net assets/ (liabilities) US$m
Central Activities	**439**	**(169)**	**270**	394	(145)	249
Investments in associates	**30**	**—**	**30**	34	—	34
Net debt	**163**	**(3,438)**	**(3,275)**	187	(3,595)	(3,408)
Tax[1]	**174**	**(445)**	**(271)**	167	(440)	(273)
	806	**(4,052)**	**(3,246)**	782	(4,180)	(3,398)

1 Tax for the year ended 31 March 2018 has been restated following the adoption of IFRS 15.

Notes to the Group financial statements continued

10. Segment information continued

(iii) Balance sheet continued

Capital employed

	2019 US$m	2018 (Restated) (Note 3) US$m
North America	**3,553**	3,560
Latin America	**1,014**	1,174
UK and Ireland	**855**	842
EMEA/Asia Pacific	**318**	306
Total operating segments	**5,740**	5,882
Central Activities	**300**	283
Non-controlling interests	**(14)**	(7)
Capital employed attributable to owners	**6,026**	6,158

(iv) Capital expenditure, amortisation and depreciation

	Capital expenditure		Amortisation		Depreciation	
	2019 US$m	2018 US$m	2019 US$m	2018 US$m	2019 US$m	2018 US$m
North America	**187**	187	**119**	113	**37**	37
Latin America	**97**	112	**69**	72	**10**	11
UK and Ireland	**64**	54	**32**	32	**14**	13
EMEA/Asia Pacific	**36**	33	**20**	21	**6**	6
Total operating segments	**384**	386	**240**	238	**67**	67
Central Activities	**55**	45	**17**	19	**2**	2
Total Group	**439**	431	**257**	257	**69**	69

Amortisation and depreciation above only include amounts charged to Benchmark PBT.

(v) Revenue by country – continuing operations

	2019 US$m	2018 (Restated) (Note 3) US$m
USA	**2,910**	2,618
UK	**810**	789
Brazil	**618**	699
Colombia	**71**	66
Other	**452**	412
	4,861	4,584

Revenue is primarily attributable to countries other than Ireland. No single client accounted for 10% or more of revenue in the current or prior year. Revenue from the USA, the UK and Brazil in aggregate comprises 89% (2018: 90%) of Group revenue.

(vi) Non-current assets by country

	2019 US$m	2018 (Restated) (Note 3) US$m
USA	**3,815**	3,763
UK	**1,029**	1,071
Brazil	**799**	940
Colombia	**204**	241
Other	**422**	398
Segment non-current assets by country	**6,269**	6,413
Central Activities	**431**	445
Deferred tax	**147**	140
	6,847	6,998

To add clarity to the presentation of this information, non-current assets for Central Activities and deferred tax have been excluded from the analysis by country. The Group has no significant non-current assets located in Ireland.

10. Segment information continued

(b) Information on business segments (including non-GAAP disclosures)

Year ended 31 March 2019	Business-to-Business US$m	Consumer Services US$m	Total business segments US$m	Central Activities US$m	Total continuing operations US$m
Revenue from external customers					
Ongoing activities	3,870	985	4,855	—	4,855
Exited business activities	6	—	6	—	6
Total	3,876	985	4,861	—	4,861
Reconciliation from Benchmark EBIT to profit/(loss) before tax					
Benchmark EBIT					
Ongoing activities	1,186	218	1,404	(98)	1,306
Exited business activities	5	—	5	—	5
Total	1,191	218	1,409	(98)	1,311
Net interest expense included in Benchmark PBT (note 16(b))	—	—	—	(113)	(113)
Benchmark PBT	1,191	218	1,409	(211)	1,198
Exceptional items (note 15(a))	5	—	5	—	5
Amortisation of acquisition intangibles	(92)	(19)	(111)	—	(111)
Acquisition and disposal expenses	(13)	(11)	(24)	—	(24)
Adjustment to the fair value of contingent consideration	(16)	—	(16)	—	(16)
Interest on uncertain tax provisions	—	—	—	(14)	(14)
Financing fair value remeasurements (note 16(c))	—	—	—	(81)	(81)
Profit/(loss) before tax	1,075	188	1,263	(306)	957

Year ended 31 March 2018	Business-to-Business US$m	Consumer Services US$m	Total business segments US$m	Central Activities US$m	Total continuing operations US$m
Revenue from external customers					
Ongoing activities	3,645	927	4,572	—	4,572
Exited business activities	12	—	12	—	12
Total	3,657	927	4,584	—	4,584
Reconciliation from Benchmark EBIT to profit/(loss) before tax					
Benchmark EBIT					
Ongoing activities	1,126	194	1,320	(79)	1,241
Exited business activities	6	—	6	—	6
Total	1,132	194	1,326	(79)	1,247
Net interest expense included in Benchmark PBT (note 16(b))	—	—	—	(85)	(85)
Benchmark PBT	1,132	194	1,326	(164)	1,162
Exceptional items (note 15(a))	(57)	—	(57)	—	(57)
Amortisation of acquisition intangibles	(93)	(19)	(112)	—	(112)
Acquisition expenses	(12)	(8)	(20)	—	(20)
Adjustment to the fair value of contingent consideration	(3)	—	(3)	—	(3)
Fair value gain on step acquisition	4	—	4	—	4
Interest on uncertain tax provisions	—	—	—	(20)	(20)
Financing fair value remeasurements (note 16(c))	—	—	—	(4)	(4)
Profit/(loss) before tax	971	167	1,138	(188)	950

A profit before tax of US$22m arose in the year ended 31 March 2018 in respect of discontinued operations which comprised CCM. Further information on such operations is given in note 18(a).

Revenue and Benchmark EBIT by business segment for the year ended 31 March 2018 have been restated following the adoption of IFRS 15, the introduction of new business segments and the reclassification to exited business activities of certain B2B businesses. The results of the B2B business segment were previously reported within the Credit Services, Decision Analytics and Marketing Services business segments.

Additional information by business segment, including that on total and organic growth at constant exchange rates, is provided in the Strategic report.

Notes to the Group financial statements continued

11. Foreign currency

(a) Principal exchange rates used

	Average		Closing		
	2019	2018	**2019**	2018	2017
US dollar : Brazilian real	**3.79**	3.22	**3.89**	3.31	3.17
Pound sterling : US dollar	**1.31**	1.33	**1.31**	1.41	1.25
Euro : US dollar	**1.16**	1.17	**1.12**	1.23	1.07
US dollar : Colombian peso	**3,025**	2,935	**3,163**	2,794	2,894

(b) Foreign exchange risk

(i) Brazilian real intra-Group funding

Brazilian real intra-Group funding provided to Serasa S.A., from a Group company whose functional currency is not the Brazilian real, is not considered permanent and foreign exchange gains or losses on this funding are recognised in the Group income statement.

As a result of the weakening of 18% in the Brazilian real against the US dollar in the year ended 31 March 2019, a charge of US$37m has been recognised within financing fair value remeasurements (2018: US$12m charge due to 4% weakening) (note 16(c)). The Group is similarly exposed to the impact of the Brazilian real strengthening or weakening against the US dollar in the future. A movement of 12% would result in a US$23m impact on profit before tax. There is no effect on total equity as a result of this exposure, since it arises on intra-Group funding and there would be a related equal but opposite foreign exchange movement recognised in the translation reserve within equity.

(ii) Other exposures

On the basis of the profile of foreign exchange exposures, and an assessment of reasonably possible changes in such exposures, there are no other material sensitivities to foreign exchange risk at the balance sheet dates. In making these assessments, actual data on movements in the principal currencies over the most recent three-year period has been considered together with exposures at the balance sheet dates. This methodology has been applied consistently.

12. Labour costs and employee numbers – continuing operations

(a) Labour costs (including executive directors)

	Notes	**2019 US$m**	2018 (Restated) (Note 3) US$m
Wages and salaries		**1,310**	1,222
Social security costs		**208**	197
Share incentive plans	33(a)	**89**	84
Pension costs – defined benefit plans	35(a)	**11**	8
Pension costs – defined contribution plans		**53**	50
Employee benefit costs		**1,671**	1,561
Other labour costs		**127**	141
		1,798	1,702

Other labour costs includes those in respect of external contractors, outsourcing and the recruitment, development and training of employees.

The definition of key management personnel, and an analysis of their remuneration, is given in note 45(d).

(b) Average monthly number of employees (including executive directors)

	2019			2018		
	Full-time	**Part-time**	**Full-time-equivalent**	Full-time	Part-time	Full-time-equivalent
North America	**6,645**	**43**	**6,666**	6,565	37	6,583
Latin America	**3,072**	**74**	**3,109**	3,131	106	3,184
UK and Ireland	**3,449**	**281**	**3,589**	3,604	276	3,742
EMEA/Asia Pacific	**3,116**	**68**	**3,150**	2,770	71	2,806
Total operating segments	**16,282**	**466**	**16,514**	16,070	490	16,315
Central Activities	**182**	**21**	**193**	169	22	180
	16,464	**487**	**16,707**	16,239	512	16,495

13. Amortisation and depreciation charges

	2019 US$m	2018 US$m
Benchmark:		
Amortisation of other intangible assets	**257**	257
Depreciation of property, plant and equipment	**69**	69
	326	326
Non-benchmark:		
Amortisation of acquisition intangibles	**111**	112
	437	438

An analysis by segment of amounts charged within Benchmark PBT is given in note 10(a)(iv). Analyses by asset type are given in notes 22 and 23.

14. Fees payable to the Company's auditor

	2019 US$m	2018 US$m
Audit of the Company and Group financial statements	**0.6**	0.6
Audit of the financial statements of the Company's subsidiaries	**4.0**	3.2
Audit-related assurance services	**0.4**	0.4
Other assurance services	**0.5**	0.2
Total fees payable to the Company's auditor and its associates	**5.5**	4.4
Summary of fees by nature:		
Fees for audit services	**4.6**	3.8
Fees for audit-related assurance services	**0.4**	0.4
Fees for other assurance services	**0.5**	0.2
	5.5	4.4

The guidelines covering the use of the Company's auditor for non-audit services are set out in the Audit Committee report. The policy for the year ended 31 March 2019 was that such fees were capped at 50% of the fees for audit services. For future reporting periods this cap has been reduced to 20%. In the year ended 31 March 2019, fees payable for services, other than fees for audit-related assurance services, were 12% (2018: 5%) of fees payable for audit services. Such fees are reported within Other operating charges.

Notes to the Group financial statements continued

15. Exceptional items and other adjustments made to derive Benchmark PBT – continuing operations

(a) Net charge for Exceptional items and other adjustments made to derive Benchmark PBT

	Notes	2019 US$m	2018 US$m
Exceptional items:			
Profit on disposal of businesses	15(b)	(5)	—
Canadian legal settlement	15(c)	—	32
Legal provisions movements	15(d)	—	25
(Credit)/charge for Exceptional items		**(5)**	57
Other adjustments made to derive Benchmark PBT:			
Amortisation of acquisition intangibles	13, 22	111	112
Acquisition and disposal expenses		24	20
Adjustment to the fair value of contingent consideration		16	3
Interest on uncertain tax provisions		14	20
Fair value gain on step acquisition		—	(4)
Financing fair value remeasurements	16(a)	81	4
Charge for other adjustments made to derive Benchmark PBT		**246**	155
Net charge for Exceptional items and other adjustments made to derive Benchmark PBT		**241**	212
By income statement caption:			
Labour costs		3	7
Amortisation and depreciation charges		111	112
Other operating charges		37	69
Profit on disposal of businesses		(5)	—
Within operating profit		146	188
Finance expense	16(a)	95	24
Net charge for Exceptional items and other adjustments made to derive Benchmark PBT		**241**	212

Acquisition and disposal expenses represent professional fees and expenses associated with completed, ongoing and terminated acquisition and disposal processes, as well as the integration and separation costs associated with completed deals.

(b) Profit on disposal of businesses

The profit before tax on the disposal of businesses in the year ended 31 March 2019 related to the disposal of two small businesses, one based in the UK and Ireland region and one in Latin America.

(c) Canadian legal settlement

During the year ended 31 March 2018, we settled a contractual dispute in Canada that arose following a 2008 sales process in our now divested BakerHill business. All costs relating to the dispute were paid in that year.

(d) Legal provisions movements

During the year ended 31 March 2018, we paid US$7m of legal fees and increased provisions by a further net US$18m in respect of a number of related legal claims.

16. Net finance costs

(a) Net finance costs included in profit before tax

	2019 US$m	2018 US$m
Interest income:		
Bank deposits, short-term investments and loan notes	(12)	(15)
Interest income	(12)	(15)
Finance expense:		
Eurobonds and notes	84	83
Bank loans, commercial paper, overdrafts and other	30	23
Commitment and facility utilisation fees	6	5
Interest expense on pension plan liabilities	—	1
Interest differentials on derivatives	5	(12)
Interest expense	125	100
Charge in respect of financing fair value remeasurements (note 16(c))	81	4
Interest on uncertain tax provisions	14	20
Finance expense	220	124
Net finance costs included in profit before tax	**208**	109

(b) Net interest expense included in Benchmark PBT

	2019 US$m	2018 US$m
Interest income	(12)	(15)
Interest expense	125	100
Net interest expense included in Benchmark PBT	**113**	85

(c) Analysis of charge for financing fair value remeasurements

	2019 US$m	2018 US$m
Foreign exchange losses on Brazilian real intra-Group funding	37	12
Fair value gains on borrowings – attributable to interest rate risk	(12)	(46)
Fair value (gains)/losses on borrowings – attributable to currency risk	(155)	209
Losses on interest rate swaps – fair value hedges	—	7
Losses/(gains) on cross-currency swaps – fair value hedges	175	(167)
Fair value losses/(gains) on non-hedging derivatives	23	(15)
Other foreign exchange losses on financing activities	12	2
Increase in present value of put options	4	2
Movement in connection with commitments to purchase own shares	(3)	—
	81	4

(d) Interest rate risk

The following table shows the sensitivity to interest rate risk, on the basis of the profile of Net debt at the balance sheet dates and an assessment of reasonably possible changes in the principal interest rates, with all other variables held constant. In making this assessment, actual movements in relevant interest rates over the most recent three-year period have been considered and a consistent methodology applied. An indication of the primary cause of the reported sensitivity of profit for the financial year is included.

Gain/(loss)	2019 US$m	2018 US$m
Effect of an increase of 0.7% (2018: 0.4%) on US dollar-denominated Net debt:		
Due to fair value gains on interest rate swaps offset by higher interest on floating rate borrowings	10	8
Effect of an increase of 0.2% (2018: 0.1%) on pound sterling-denominated Net debt:		
Due to the revaluation of borrowings and related derivatives	1	—
Effect of an increase of 2.6% (2018: 2.8%) on Brazilian real-denominated Net debt:		
Due to higher interest income on cash and cash equivalents	1	1
Effect of an increase of 0.1% (2018: 0.2%) on euro-denominated Net debt:		
Due to fair value gains on interest rate swaps offset by higher interest on floating rate borrowings	—	(1)

Notes to the Group financial statements continued

17. Group tax charge

(a) Analysis of tax charge in the Group income statement

	2019 US$m	2018 (Restated) (Note 3) US$m
Current tax:		
Tax on income for the year	**290**	323
Adjustments in respect of prior years	**8**	5
Total current tax charge	**298**	328
Deferred tax:		
Origination and reversal of temporary differences	**(34)**	(196)
Adjustments in respect of prior years	**(8)**	4
Total deferred tax credit	**(42)**	(192)
Group tax charge	**256**	136
The Group tax charge comprises:		
UK tax	**20**	102
Non-UK tax	**236**	34
	256	136

(b) Tax reconciliations

(i) Reconciliation of the Group tax charge

As the Group is subject to the tax rates of more than one country, it has chosen to present its reconciliation of the Group tax charge using the main rate of corporation tax in the UK. The effective rate of tax for each year based on profit before tax is higher (2018: lower) than the main rate of corporation tax in the UK, with the differences explained in note 17(c).

	2019 US$m	2018 (Restated) (Note 3) US$m
Profit before tax	**957**	950
Profit before tax multiplied by the main rate of UK corporation tax of 19% (2018: 19%)	**182**	181
Effects of:		
Adjustments in respect of prior years	**—**	9
Tax on Exceptional items	**(1)**	(2)
Other income not taxable	**(9)**	(10)
Losses not recognised	**16**	44
Expenses not deductible	**26**	103
Different effective tax rates in non-UK businesses	**30**	(15)
Local taxes	**33**	9
Credit on restatement of deferred tax balances in North America	**—**	(116)
Recognition of previously unrecognised tax losses	**(21)**	(67)
Group tax charge	**256**	136
Effective rate of tax based on profit before tax	**26.8%**	14.3%

Expenses not deductible include movements in uncertain tax provisions. Local taxes primarily comprise US state taxes which were previously reported within expenses not deductible.

17. Group tax charge continued

(ii) Reconciliation of the Group tax charge to the Benchmark tax charge

	2019 US$m	2018 (Restated) (Note 3) US$m
Group tax charge	**256**	136
Tax relief on Exceptional items and other adjustments made to derive Benchmark PBT	**46**	53
Exceptional tax items	**4**	107
Benchmark tax charge	**306**	296
Benchmark PBT	**1,198**	1,162
Benchmark tax rate	**25.5%**	25.5%

Exceptional tax items in the year ended 31 March 2018 included the credit on restatement of deferred tax balances in North America, the recognition of previously unrecognised tax losses and an increase in the Group's uncertain tax provisions.

(c) Factors that affect the tax charge

Prior year adjustments reflect the net movement on historical tax positions, including adjustments for matters that have been substantively agreed with local tax authorities, and adjustments to deferred tax assets based on latest estimates and assumptions.

Expenses not deductible include charges in respect of uncertain tax positions, financing fair value remeasurements not allowable for tax purposes, and losses on the disposal of businesses which are not subject to tax relief.

The US Tax Cuts and Jobs Act enacted on 22 December 2017 reduced the federal corporate tax rate in the USA from 35% to 21% with effect from 1 January 2018. Deferred tax assets and liabilities of US companies within the Group were calculated at the reduced rate for the year ended 31 March 2018. The resulting credit of US$116m was recognised in the prior year Group income statement.

In the year ended 31 March 2018 we recognised a deferred tax asset of US$67m in respect of previously unrecognised losses which arose from a group reorganisation, resulting in a corresponding credit to the Group income statement.

The Group's tax rate reflects its internal financing arrangements in place to fund non-UK businesses.

In addition, in the normal course of business, the Group has a number of open tax returns with various tax authorities with whom it is in active dialogue. At 31 March 2019 the Group held current provisions of US$293m (2018: US$301m) in respect of uncertain tax positions. Liabilities relating to these open and judgmental matters are based on an assessment as to whether additional taxes will be due, after taking into account external advice where appropriate. The resolution of these tax matters may take many years. Whilst the timing of developments in resolving these matters is inherently uncertain, the Group does not expect to materially increase its uncertain tax provisions in the next 12 months, however if an opportunity arose to resolve the matters for less than the amounts provided, a settlement may be made with a corresponding reduction in the provision.

(d) Other factors that affect the future tax charge

The Group's tax charge will continue to be influenced by the profile of profits earned in the different countries in which the Group's subsidiaries operate. The Group could be affected by changes in tax law in the future, as we expect countries to amend legislation in respect of international tax.

The main rate of UK corporation tax was reduced to 19% from 1 April 2017 and will be reduced further to 17% from 1 April 2020.

Notes to the Group financial statements continued

18. Discontinued operations

On 31 May 2017, the Group completed the divestment of CCM, and the results and cash flows of that business were accordingly classified as discontinued.

(a) Results for discontinued operations

In the year ended 31 March 2018, the loss from discontinued operations of US$31m is in respect of the CCM disposal.

The results of CCM were:

	2018 (Restated) (Note 3) US$m
Revenue	47
Labour costs	(28)
Data and information technology costs	(8)
Marketing and customer acquisition costs	(1)
Other operating charges	(14)
Total operating expenses	(51)
Separation and transaction related charges	(28)
Loss before tax	(32)
Tax credit	8
Loss after tax of discontinued operations	(24)
Profit on disposal of discontinued operations (note 42(a))	54
Tax charge in respect of disposal	(61)
Loss for the financial year from discontinued operations	(31)

The operating loss for the year ended 31 March 2018 included certain restructuring and one-off costs of separation.

(b) Cash flows for discontinued operations

	2019 US$m	2018 US$m
Cash outflow from operating activities	**(42)**	(63)
Cash flow from investing activities	**—**	278
	(42)	215

The cash outflow from operating activities of US$42m (2018: US$63m) relates to CCM and is stated after tax paid on the disposal of the business of US$18m (2018: US$22m). The remaining US$24m (2018: US$41m) relates to restructuring activities provided for at the time of disposal.

The cash flow from investing activities for the year ended 31 March 2018 of US$278m comprised an inflow of US$263m relating to CCM, and an inflow of US$15m which arose from the previous disposal of the comparison shopping and lead generation businesses.

19. Earnings per share disclosures

(a) Earnings per share

	Basic		**Diluted**	
	2019 US cents	2018 (Restated) (Note 3) US cents	**2019 US cents**	2018 (Restated) (Note 3) US cents
Continuing and discontinued operations	**76.9**	85.4	**76.0**	84.6
Add: loss from discontinued operations	**—**	3.4	**—**	3.3
Continuing operations	**76.9**	88.8	**76.0**	87.9
Add: other adjustments made to derive Benchmark PBT, net of related tax	**21.1**	5.6	**20.9**	5.6
Benchmark EPS (non-GAAP measure)	**98.0**	94.4	**96.9**	93.5

19. Earnings per share disclosures continued

(b) Analysis of earnings

(i) Attributable to owners of Experian plc

	2019 US$m	2018 (Restated) (Note 3) US$m
Continuing and discontinued operations	**695**	783
Add: loss from discontinued operations	**—**	31
Continuing operations	**695**	814
Add: other adjustments made to derive Benchmark PBT, net of related tax	**191**	52
Benchmark earnings attributable to owners of Experian plc (non-GAAP measure)	**886**	866

(ii) Attributable to non-controlling interests

	2019 US$m	2018 US$m
Continuing and discontinued operations	**6**	—
Add: amortisation of acquisition intangibles attributable to non-controlling interests, net of related tax	**—**	—
Benchmark earnings attributable to non-controlling interests (non-GAAP measure)	**6**	—

(c) Reconciliation of Total Benchmark earnings to profit for the financial year

	2019 US$m	2018 (Restated) (Note 3) US$m
Total Benchmark earnings (non-GAAP measure)	**892**	866
Loss from discontinued operations	**—**	(31)
Loss from other adjustments made to derive Benchmark PBT, net of related tax	**(191)**	(52)
Profit for the financial year	**701**	783

(d) Weighted average number of ordinary shares

	2019 million	2018 million
Weighted average number of ordinary shares	**904**	917
Add: dilutive effect of share incentive awards, options and share purchases	**10**	9
Diluted weighted average number of ordinary shares	**914**	926

20. Dividends

	2019		2018	
	US cents per share	US$m	US cents per share	US$m
Amounts recognised and paid during the financial year:				
First interim – paid in February 2019 (2018: February 2018)	**14.00**	**126**	13.50	124
Second interim – paid in July 2018 (2018: July 2017)	**31.25**	**284**	28.50	264
Dividends paid on ordinary shares	**45.25**	**410**	42.00	388
Full-year dividend for the financial year	**46.50**	**419**	44.75	408

A second interim dividend in respect of the year ended 31 March 2019 of 32.5 US cents per ordinary share will be paid on 26 July 2019, to shareholders on the register at the close of business on 28 June 2019. This dividend is not included as a liability in these financial statements. This second interim dividend and the first interim dividend paid in February 2019 comprise the full-year dividend for the financial year of 46.5 US cents per ordinary share. Further administrative information on dividends is given in the Shareholder and corporate information section.

In the year ended 31 March 2019, the employee trusts waived their entitlements to dividends of US$4m (2018: US$5m). There is no entitlement to dividend in respect of own shares held as treasury shares.

Notes to the Group financial statements continued

21. Goodwill

(a) Movements in goodwill

	2019 US$m	2018 US$m
Cost and net book amount		
At 1 April	4,452	4,245
Differences on exchange	(175)	75
Additions through business combinations (note 41(a))	49	133
Disposals	(2)	(1)
At 31 March	**4,324**	4,452

(b) Goodwill by CGU

	2019 US$m	2018 US$m
North America	2,776	2,728
Latin America	671	782
UK and Ireland	671	717
EMEA	129	143
Asia Pacific	77	82
At 31 March	**4,324**	4,452

(c) Key assumptions for value-in-use calculations by CGU

	2019		2018	
	Discount rate % pa	Long-term growth rate % pa	Discount rate % pa	Long-term growth rate % pa
North America	11.9	2.3	12.8	2.3
Latin America	15.9	4.7	17.8	4.7
UK and Ireland	10.1	2.3	10.5	2.3
EMEA	13.5	3.9	14.0	3.9
Asia Pacific	11.1	5.3	11.7	5.9

As indicated in note 6(a), value-in-use calculations are underpinned by financial budgets, looking forward up to five years. Management's key assumptions in setting the financial budgets for the initial five-year period were as follows:

- forecast revenue growth rates were based on past experience, adjusted for the strategic opportunities within each CGU; the forecasts typically used average nominal growth rates of up to 11%, with Asia Pacific having rates of up to 20%;
- Benchmark EBIT was forecast based on historic margins, which were expected to be broadly stable throughout the period in the mature CGUs, and improving to a low-double-digit margin in EMEA and Asia Pacific; and
- forecast Benchmark operating cash flow conversion rates were based on historic experience and performance expectations in a range of 75% to 95%.

Further details of the principles used in determining the basis of allocation by CGU and annual impairment testing are given in note 6(a).

(d) Results of annual impairment review as at 31 March 2019

The recoverable amount of all the CGUs exceeded their carrying value, on the basis of the assumptions set out in the table in note 21(c) and any reasonably possible changes thereof.

22. Other intangible assets

	Acquisition intangibles						
	Customer and other relationships US$m	Acquired software development US$m	Marketing-related assets US$m	Databases US$m	Internal use software US$m	Internally generated software US$m	Total US$m
Cost							
At 1 April 2018	1,059	310	101	1,403	363	591	3,827
Differences on exchange	(47)	(11)	(10)	(107)	(16)	(29)	(220)
Additions through business combinations	18	—	7	—	—	—	25
Other additions	—	—	—	171	21	156	348
Disposal of businesses	(7)	(4)	—	—	—	—	(11)
Other disposals	—	—	—	(73)	(6)	(9)	(88)
At 31 March 2019	**1,023**	**295**	**98**	**1,394**	**362**	**709**	**3,881**
Accumulated amortisation and impairment							
At 1 April 2018	556	190	80	918	278	267	2,289
Differences on exchange	(34)	(12)	(6)	(77)	(12)	(12)	(153)
Charge for the year	71	31	9	163	29	65	368
Disposal of businesses	(7)	(4)	—	—	—	—	(11)
Other disposals	—	—	—	(72)	(5)	(9)	(86)
At 31 March 2019	**586**	**205**	**83**	**932**	**290**	**311**	**2,407**
Net book amount at 31 March 2018	503	120	21	485	85	324	1,538
Net book amount at 31 March 2019	**437**	**90**	**15**	**462**	**72**	**398**	**1,474**

	Acquisition intangibles						
	Customer and other relationships US$m	Acquired software development US$m	Marketing-related assets US$m	Databases US$m	Internal use software US$m	Internally generated software US$m	Total US$m
Cost							
At 1 April 2017	1,016	274	97	1,281	323	455	3,446
Differences on exchange	11	3	—	6	2	28	50
Additions through business combinations	38	35	5	—	—	—	78
Other additions	—	—	—	192	39	129	360
Disposal of businesses	(6)	—	—	(8)	—	—	(14)
Other disposals	—	(2)	(1)	(68)	(1)	(21)	(93)
At 31 March 2018	1,059	310	101	1,403	363	591	3,827
Accumulated amortisation and impairment							
At 1 April 2017	478	159	73	814	243	218	1,985
Differences on exchange	10	3	(1)	7	2	15	36
Charge for the year	73	30	9	168	34	55	369
Disposal of businesses	(5)	—	—	(3)	—	—	(8)
Other disposals	—	(2)	(1)	(68)	(1)	(21)	(93)
At 31 March 2018	556	190	80	918	278	267	2,289
Net book amount at 31 March 2017	538	115	24	467	80	237	1,461
Net book amount at 31 March 2018	503	120	21	485	85	324	1,538

There are no assets held under finance lease agreements and capitalised in Other intangible assets. Within the above are the following individually material assets at 31 March 2019:

- North America Healthcare customer relationships net book value of US$245m, with a remaining amortisation period of nine years.
- Acquired CSID platform with a net book value of US$69m, and a remaining amortisation period of seven years.

In addition to the development capitalised above we charged US$140m (2018: US$142m) of research and development costs in the Group income statement.

Notes to the Group financial statements continued

23. Property, plant and equipment

	Freehold properties US$m	Short leasehold properties US$m	Plant and equipment US$m	Total US$m
Cost				
At 1 April 2018	159	140	540	839
Differences on exchange	(13)	—	(23)	(36)
Other additions	1	4	86	91
Disposals of businesses	(2)	—	—	(2)
Disposals	(6)	(2)	(32)	(40)
At 31 March 2019	**139**	**142**	**571**	**852**
Accumulated depreciation				
At 1 April 2018	45	69	390	504
Differences on exchange	(3)	—	(16)	(19)
Charge for the year	4	5	60	69
Disposals of businesses	(1)	—	—	(1)
Disposals	(2)	(2)	(30)	(34)
At 31 March 2019	**43**	**72**	**404**	**519**
Net book amount at 31 March 2018	114	71	150	335
Net book amount at 31 March 2019	**96**	**70**	**167**	**333**

	Freehold properties US$m	Short leasehold properties US$m	Plant and equipment US$m	Total US$m
Cost				
At 1 April 2017	158	145	478	781
Differences on exchange	10	—	20	30
Additions through business combinations	—	—	1	1
Other additions	4	7	60	71
Disposals of businesses	—	(2)	(1)	(3)
Disposals	(13)	(10)	(18)	(41)
At 31 March 2018	159	140	540	839
Accumulated depreciation				
At 1 April 2017	47	73	332	452
Differences on exchange	3	—	15	18
Charge for the year	4	8	57	69
Disposals of businesses	—	(2)	(1)	(3)
Disposals	(9)	(10)	(13)	(32)
At 31 March 2018	45	69	390	504
Net book amount at 31 March 2017	111	72	146	329
Net book amount at 31 March 2018	114	71	150	335

The net book amount of assets held under finance lease agreements and capitalised in plant and equipment is US$12m (2018: US$8m).

24. Investments in associates

	2019 US$m	2018 US$m
At 1 April	125	42
Differences on exchange	(5)	—
Additions	5	60
Interest in associate arising on a business disposal	—	31
Fair value gain on step acquisition	—	4
Acquisition of controlling stake in associate	—	(17)
Share of profit after tax	3	8
Dividends received	(6)	(3)
At 31 March	**122**	125

During the year ended 31 March 2018 an additional associate undertaking was created following the partial divestment of CCM as disclosed in note 42. The Group also acquired a 25% stake in London & Country Mortgages Limited, for US$60m in that year.

25. Trade and other receivables

(a) Analysis by type and maturity

	2019 US$m	2018 (Restated) (Note 3) US$m
Trade and unbilled receivables	796	841
Credit note provision	(9)	(21)
Trade receivables – after credit note provision	787	820
Contract assets	129	95
Trade receivables and contract assets	916	915
Loss allowance	(18)	(22)
Net impaired trade receivables and contract assets	898	893
VAT and equivalent taxes recoverable	3	1
Prepayments	183	194
Contract costs	100	110
	1,184	1,198
As reported in the Group balance sheet:		
Current trade and other receivables	1,055	1,115
Non-current trade and other receivables	129	83
	1,184	1,198

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

Balances historically presented as accrued income are now split between contract assets and unbilled receivables, with collection of the latter conditional only on the passage of time.

At 31 March 2017, the value of trade and unbilled receivables was US$708m and contract assets was US$62m.

Notes to the Group financial statements continued

25. Trade and other receivables continued

(b) Loss allowance matrix

	Loss allowance 2019 US$m	Gross carrying amount 2019 US$m	Gross carrying amount 2018 (Restated) (Note 3) US$m
Not past-due	(1)	747	672
Up to three months past-due	(1)	128	180
Three to six months past-due	(2)	17	23
Over six months past-due	(14)	24	40
Trade receivables and contract assets	(18)	916	915
Loss allowance (note 25(c))		(18)	(22)
Net trade receivables and contract assets		898	893

(c) Movements in the loss allowance

	2019 US$m	2018 US$m
At 31 March	22	21
Adjustment upon application of IFRS 9	(1)	—
Restated at 1 April	21	21
Increase in the loss allowance recognised in the Group income statement	2	3
Receivables written off in the year as uncollectable	(2)	(2)
Differences on exchange	(3)	—
At 31 March	18	22

(d) Analysis by denomination of currency

	Contract assets 2019 US$m	Contract assets 2018 (Restated) (Note 3) US$m	Trade receivables 2019 US$m	Trade receivables 2018 (Restated) (Note 3) US$m
US dollar	49	23	420	407
Pound sterling	9	3	127	150
Brazilian real	4	5	115	122
Euro	21	15	29	35
Colombian peso	6	4	19	22
Other	40	45	59	62
	129	95	769	798

26. Cash and cash equivalents

(a) Analysis by nature

	2019 US$m	2018 US$m
Cash at bank and in hand	76	103
Short-term investments	73	53
	149	156

The effective interest rate for cash and cash equivalents held at 31 March 2019 is 2.5% (2018: 2.3%). There is no material difference between the fair value and the book value stated above.

(b) Analysis by external credit rating

	2019 US$m	2018 US$m
Counterparty holding of more than US$2m:		
A rated	64	104
B rated	68	21
Counterparty holding of more than US$2m	132	125
Counterparty holding of less than US$2m	17	31
	149	156

27. Trade and other payables

(a) Analysis by type and maturity

	2019		2018 (Restated) (Note 3)	
	Current US$m	Non-current US$m	Current US$m	Non-current US$m
Trade payables	246	—	227	—
VAT and other equivalent taxes payable	31	—	40	—
Social security costs	98	—	98	—
Accruals	524	12	483	9
Contract liabilities	402	61	487	63
Other payables	163	26	159	31
	1,464	99	1,494	103

There is no material difference between the fair value and the book value stated above. Other payables include employee benefits of US$77m (2018: US$68m) and deferred consideration of US$32m (2018: US$33m).

Balances historically presented as deferred income are now presented as contract liabilities following the adoption of IFRS 15 (note 3).

At 31 March 2017, the value of contract liabilities was US$447m.

(b) Analysis by nature

	2019 US$m	2018 (Restated) (Note 3) US$m
Financial instruments	582	568
VAT and other equivalent taxes payable	31	40
Social security costs	98	98
Amounts within accruals and contract liabilities	852	891
Items other than financial instruments	981	1,029
	1,563	1,597

Contractual undiscounted future cash flows in respect of financial instruments are shown in note 32.

Notes to the Group financial statements continued

28. Borrowings

(a) Analysis by carrying amounts and fair value

	Carrying amount		Fair value	
	2019 US$m	2018 US$m	2019 US$m	2018 US$m
Current:				
Bonds:				
£400m 4.75% Euronotes 2018	—	581	—	575
€500m 4.75% Euronotes 2020	582	—	584	—
Bank loans	100	—	100	—
Commercial paper	179	353	179	353
Bank overdrafts	3	19	3	19
Finance lease obligations	5	3	5	3
	869	956	871	950
Non-current:				
Bonds:				
€500m 4.75% Euronotes 2020	—	660	—	671
£400m 3.50% Euronotes 2021	536	577	548	597
£400m 2.125% Euronotes 2024	532	—	531	—
€500m 1.375% Euronotes 2026	580	615	576	613
US$500m 4.25% Notes 2029	499	—	517	—
Bank loans	300	700	300	700
Finance lease obligations	8	6	8	6
	2,455	2,558	2,480	2,587
Total borrowings	3,324	3,514	3,351	3,537

The effective interest rates for bonds approximate to the coupon rates indicated above. Other than finance lease obligations, the borrowings are unsecured. Further information on the methodology used in determining fair values is given in note 31.

(b) Analysis by maturity

	2019 US$m	2018 US$m
Less than one year	869	956
One to two years	104	1,262
Two to three years	738	102
Three to four years	1	579
Four to five years	1	—
Over five years	1,611	615
	3,324	3,514

(c) Analysis by currency

	2019 US$m	2018 US$m
US dollar	2,646	2,822
Pound sterling	558	603
Euro	58	43
Other	62	46
	3,324	3,514

The above analysis takes account of the effect of cross-currency swaps and forward foreign exchange contracts and reflects the way in which the Group manages exposures.

28. Borrowings continued

(d) Undrawn committed bank borrowing facilities

	2019 US$m	2018 US$m
Facilities expiring in:		
One to two years	**375**	150
Two to three years	**300**	375
Three to four years	**—**	1,800
Four to five years	**1,950**	—
	2,625	2,325

During the year we renegotiated our principal bank facilities, extending the maturity date from June 2021 to December 2023, with extension options to December 2025. These facilities are at variable interest rates and are in place for general corporate purposes, including the financing of acquisitions and the refinancing of other borrowings.

(e) Covenants and leverage ratio

There is one financial covenant in connection with the borrowing facilities. Benchmark EBIT must exceed three times net interest expense before financing fair value remeasurements. The Group monitors this, and the Net debt to Benchmark EBITDA leverage ratio, and has complied with this covenant throughout the year.

29. Net debt (non-GAAP measure)

(a) Analysis by nature

	2019 US$m	2018 US$m
Cash and cash equivalents (net of overdrafts)	**146**	137
Debt due within one year – commercial paper	**(179)**	(353)
Debt due within one year – bonds and notes	**(578)**	(572)
Debt due within one year – bank loans and finance lease obligations	**(105)**	(3)
Debt due after more than one year – bonds and notes	**(2,132)**	(1,837)
Debt due after more than one year – bank loans and finance lease obligations	**(308)**	(706)
Derivatives hedging loans and borrowings	**(119)**	(74)
	(3,275)	(3,408)

(b) Analysis by balance sheet caption

	2019 US$m	2018 US$m
Cash and cash equivalents	**149**	156
Current borrowings	**(869)**	(956)
Non-current borrowings	**(2,455)**	(2,558)
Borrowings	**(3,324)**	(3,514)
Total reported in the Group balance sheet	**(3,175)**	(3,358)
Accrued interest reported within borrowings above but excluded from Net debt	**19**	24
Derivatives reported within financial assets	**14**	50
Derivatives reported within financial liabilities	**(133)**	(124)
	(3,275)	(3,408)

Notes to the Group financial statements continued

29. Net debt (non-GAAP measure) continued

(c) Analysis of movements in Net debt

	Derivatives hedging loans and borrowings US$m	Current borrowings[1] US$m	Non-current borrowings[1] US$m	Total financing liabilities US$m	Accrued interest US$m	Cash and cash equivalents[1] US$m	Movement in Net debt US$m
At 1 April 2018	(74)	(956)	(2,558)	(3,588)	24	156	(3,408)
Cash inflow/(outflow)	(5)	—	—	(5)	—	360	355
Borrowings cash flow	—	684	(601)	83	—	—	83
Reclassification of borrowings	—	(678)	678	—	—	—	—
Net interest paid	—	8	—	8	—	(129)	(121)
Movement on accrued interest	—	5	—	5	(5)	—	—
Net cash inflow/(outflow)	(5)	19	77	91	(5)	231	317
Net share purchases	—	—	—	—	—	(215)	(215)
Fair value gains/(losses)	(12)	17	(5)	—	—	—	—
Exchange and other movements	(28)	51	31	54	—	(23)	31
At 31 March 2019	**(119)**	**(869)**	**(2,455)**	**(3,443)**	**19**	**149**	**(3,275)**

	Derivatives hedging loans and borrowings US$m	Current borrowings[1] US$m	Non-current borrowings[1] US$m	Total financing liabilities US$m	Accrued interest US$m	Cash and cash equivalents[1] US$m	Movement in Net debt US$m
At 1 April 2017	(232)	(759)	(2,285)	(3,276)	20	83	(3,173)
Cash inflow	13	—	—	13	—	716	729
Borrowings cash flow	—	404	(613)	(209)	—	—	(209)
Reclassification of borrowings	—	(572)	572	—	—	—	—
Net interest paid	—	—	—	—	—	(86)	(86)
Movement on accrued interest	—	(5)	1	(4)	4	—	—
Net cash inflow/(outflow)	13	(173)	(40)	(200)	4	630	434
Net share purchases	—	—	—	—	—	(565)	(565)
Fair value gains/(losses)	(72)	—	46	(26)	—	—	(26)
Exchange and other movements	217	(24)	(279)	(86)	—	8	(78)
At 31 March 2018	(74)	(956)	(2,558)	(3,588)	24	156	(3,408)

1 Total reported in the Group balance sheet.

30. Financial assets and liabilities

(a) Financial assets revalued through OCI

Assets of US$103m (2018: US$84m), which were previously reported as available-for-sale financial assets were reclassified following the adoption of IFRS 9 (see note 3), include listed investments of US$36m (2018: US$38m) held in the UK to secure certain unfunded pension arrangements (note 34(b)) and trade investments of US$67m (2018: US$46m).

(b) Other financial assets and liabilities

(i) Summary

	2019			2018		
Assets	Current US$m	Non-current US$m	Total US$m	Current US$m	Non-current US$m	Total US$m
Financial assets held at amortised cost	—	91	91	—	85	85
Derivative financial instruments:						
Fair value hedge of borrowings (cross-currency swaps)	—	15	15	—	47	47
Fair value hedge of borrowings (interest rate swaps)	—	9	9	—	11	11
Derivatives used for hedging	—	24	24	—	58	58
Non-hedging derivatives (equity swaps)	3	1	4	—	—	—
Non-hedging derivatives (foreign exchange contracts)	4	—	4	1	—	1
Non-hedging derivatives (interest rate swaps)	2	38	40	3	51	54
Assets at fair value through profit and loss	9	39	48	4	51	55
Derivative financial instruments – total	9	63	72	4	109	113
Total other financial assets	9	154	163	4	194	198

	2019			2018		
Liabilities	Current US$m	Non-current US$m	Total US$m	Current US$m	Non-current US$m	Total US$m
Derivative financial instruments:						
Fair value hedge of borrowings (cross-currency swaps)	132	—	132	63	51	114
Derivatives used for hedging	132	—	132	63	51	114
Non-hedging derivatives (foreign exchange contracts)	3	—	3	2	—	2
Non-hedging derivatives (interest rate swaps)	—	13	13	6	—	6
Liabilities at fair value through profit and loss	3	13	16	8	—	8
Derivative financial instruments – total	135	13	148	71	51	122
Options in respect of non-controlling interests	17	—	17	15	—	15
Total other financial liabilities	152	13	165	86	51	137

Amounts recognised in the Group income statement in connection with the Group's hedging instruments are disclosed in note 16. There is no material difference between the fair values and the book values stated above.

Financial assets held at amortised cost principally comprise amounts due following the disposal of businesses and include accrued interest.

Notes to the Group financial statements continued

30. Financial assets and liabilities continued

(b) Other financial assets and liabilities continued

(ii) Fair value and notional principal amounts of derivative financial instruments

	2019				2018			
	Assets		Liabilities		Assets		Liabilities	
	Fair value US$m	Notional US$m	Fair value US$m	Notional US$m	Fair value US$m	Notional US$m	Fair value US$m	Notional US$m
Cross-currency swaps	15	899	132	707	47	504	114	1,347
Interest rate swaps	49	2,047	13	792	65	2,453	6	608
Equity swaps	4	21	—	—	—	19	—	—
Foreign exchange contracts	4	304	3	235	1	297	2	482
	72	3,271	148	1,734	113	3,273	122	2,437

Notional principal amounts are the amount of principal underlying the contracts at the reporting dates.

(iii) Offsetting derivative financial assets and liabilities

	Assets		Liabilities	
	2019 US$m	2018 US$m	2019 US$m	2018 US$m
Reported in the Group balance sheet	72	113	148	122
Related amounts not offset in the Group balance sheet	(37)	(53)	(37)	(53)
Net amount	35	60	111	69

There are no amounts offset within the assets and liabilities reported in the Group balance sheet.

(c) Hedge accounting

(i) Fair value hedges

We use interest rate swaps to hedge the interest rate risk arising on fixed rate borrowings, and cross-currency swaps to hedge the currency and interest rate risk arising on foreign currency fixed rate borrowings. Our risk management strategy for interest rate risk and currency risk is outlined in note 8.

We determine the existence of an economic relationship between the hedging instruments and hedged items by comparing the currency, reference interest rates, duration, repricing and maturity dates and the notional amounts of the hedging instruments to those of the hedged items.

We have established a hedge ratio of 1:1 for the hedging relationships as the underlying risk of interest rate swaps and cross-currency swaps is identical to the hedged risk components.

The main sources of ineffectiveness in the hedge accounting relationships arise from:

- The application of different interest rate curves to discount the cash flows of the hedged item and those of the hedging instrument.
- Differences in timing of cash flows of the hedged item and hedging instrument.
- The different impact of the counterparties' credit risk on the fair value movements of the hedging instrument compared to the hedged item.

(ii) Analysis of hedging instruments

The Group held the following instruments to hedge exposures to changes in foreign currency and interest rates.

	Maturity					
At 31 March 2019	Less than one year	One to two years	Two to three years	Three to four years	Four to five years	Over five years
Interest rate risk						
Interest rate swaps						
Notional amount (US$m)	—	—	196	—	—	—
Weighted average fixed interest rate	—	—	3.50%	—	—	—
Cross-currency swaps						
Notional amount (US$m)	707	—	—	—	—	899
Weighted average fixed interest rate	4.75%	—	—	—	—	1.70%
Foreign currency risk						
Cross-currency swaps						
Notional amount (US$m)	707	—	—	—	—	899
EUR:USD forward contract rate	1.41	—	—	—	—	1.12
GBP:USD forward contract rate	—	—	—	—	—	1.32

30. Financial assets and liabilities continued

(ii) Analysis of hedging instruments continued

At 31 March 2018	Maturity					
	Less than one year	One to two years	Two to three years	Three to four years	Four to five years	Over five years
Interest rate risk						
Interest rate swaps						
Notional amount (US$m)	—	—	—	211	—	—
Weighted average fixed interest rate	—	—	—	3.50%	—	—
Cross-currency swaps						
Notional amount (US$m)	640	707	—	—	—	504
Weighted average fixed interest rate	4.75%	4.75%	—	—	—	1.38%
Foreign currency risk						
Cross-currency swaps						
Notional amount (US$m)	640	707	—	—	—	504
EUR:USD forward contract rate	—	1.41	—	—	—	1.12
GBP:USD forward contract rate	1.60	—	—	—	—	—

(d) Impact of hedging instruments

	2019			
	Notional amount of hedging instrument	Carrying amount of hedging instrument		Changes in fair value used for calculating hedge ineffectiveness (Note 16(c))
Fair value hedges	US$m	Assets US$m	Liabilities US$m	US$m
Interest rate risk				
Interest rate swaps	**196**	**9**	**—**	**—**
Cross-currency swaps	**1,606**	**15**	**(132)**	**16**
Foreign exchange risk				
Cross-currency swaps	**1,606**	**15**	**(132)**	**159**

	2018			
	Notional amount of hedging instrument	Carrying amount of hedging instrument		Changes in fair value used for calculating hedge ineffectiveness (Note 16(c))
Fair value hedges	US$m	Assets US$m	Liabilities US$m	US$m
Interest rate risk				
Interest rate swaps	211	10	—	7
Cross-currency swaps	1,851	47	(114)	51
Foreign exchange risk				
Cross-currency swaps	1,851	47	(114)	(218)

Interest rate swaps are reported within Other financial assets, and cross-currency swaps are reported within Other financial assets and Other financial liabilities in the Group balance sheet.

Notes to the Group financial statements continued

30. Financial assets and liabilities continued

(e) Impact of hedged items

	2019		
	Carrying amount of hedged item	Accumulated amount of fair value hedge adjustments included in the carrying amount of the hedged item	Changes in fair value used for calculating hedge ineffectiveness (Note 16(c))
Fair value hedges	**Liabilities US$m**	**Liabilities US$m**	**US$m**
Interest rate risk			
Borrowings	**(1,711)**	**45**	**(12)**
Foreign exchange risk			
Borrowings	**(1,506)**	**(147)**	**(155)**

	2018		
	Carrying amount of hedged item	Accumulated amount of fair value hedge adjustments included in the carrying amount of the hedged item	Changes in fair value used for calculating hedge ineffectiveness (Note 16(c))
Fair value hedges	Liabilities US$m	Liabilities US$m	US$m
Interest rate risk			
Borrowings	(2,016)	53	(46)
Foreign exchange risk			
Borrowings	(1,794)	(117)	209

Borrowings are reported within Borrowings in the Group balance sheet.

(f) Impact of hedge ineffectiveness

Fair value hedges (Note 16(c))	**2019 US$m**	2018 US$m
Interest rate risk	**4**	12
Foreign exchange risk	**4**	(9)

Hedge ineffectiveness is reported within Net finance costs in the Group income statement.

30. Financial assets and liabilities continued

(g) Analysis by valuation method for items measured at fair value

	2019				2018			
	Level 1 US$m	Level 2 US$m	Level 3 US$m	Total US$m	Level 1 US$m	Level 2 US$m	Level 3 US$m	Total US$m
Financial assets:								
Derivatives used for hedging	—	24	—	24	—	58	—	58
Assets at fair value through profit and loss	—	48	—	48	—	55	—	55
Amounts reported as other financial assets (note 30(b))	—	72	—	72	—	113	—	113
Financial assets revalued through OCI[1] (note 30(a))	36	—	67	103	38	—	46	84
	36	72	67	175	38	113	46	197
Financial liabilities:								
Derivatives used for hedging	—	(132)	—	(132)	—	(114)	—	(114)
Liabilities at fair value through profit and loss	—	(16)	(44)	(60)	—	(8)	(39)	(47)
	—	(148)	(44)	(192)	—	(122)	(39)	(161)
Net financial assets/(liabilities)	36	(76)	23	(17)	38	(9)	7	36

1 Previously reported as available-for-sale financial assets. Reclassified following the adoption of IFRS 9 (note 3).

The analysis by level is a requirement of IFRS 13 and the definitions are summarised here for completeness:

- assets and liabilities whose valuations are based on unadjusted quoted prices in active markets for identical assets and liabilities are classified as Level 1
- assets and liabilities which are not traded in an active market, and whose valuations are derived from available market data that is observable for the asset or liability, are classified as Level 2; and
- assets and liabilities whose valuations are derived from inputs not based on observable market data are classified as Level 3.

Level 3 items principally comprise minority shareholdings in unlisted businesses, trade investments, contingent consideration and put and call options associated with corporate transactions. The inputs used in determining valuations are a mix of earnings and asset valuations, reflecting different contractual arrangements. There would be no material effect on the amounts stated from any reasonably possible change in such inputs at 31 March 2019.

(h) Analysis of movements in Level 3 assets/(liabilities)

	Year ended 31 March 2019				Year ended 31 March 2018			
	Financial assets revalued through OCI US$m	Contingent consideration US$m	Other US$m	Total US$m	Financial assets revalued through OCI[1] US$m	Contingent consideration US$m	Other US$m	Total US$m
At 1 April	46	(24)	(15)	7	21	(2)	(12)	7
Additions	21	—	—	21	30	(21)	—	9
Settlement of contingent consideration	—	12	—	12	—	5	—	5
Adjustment to the fair value of contingent consideration	—	(16)	—	(16)	—	(3)	—	(3)
Valuation losses recognised in the Group income statement	—	—	(4)	(4)	—	—	(2)	(2)
Currency translation gains/(losses) recognised directly in Other comprehensive income	—	1	2	3	(5)	—	—	(5)
Other	—	—	—	—	—	(3)	(1)	(4)
At 31 March	67	(27)	(17)	23	46	(24)	(15)	7

1 Previously reported as available-for-sale financial assets. Reclassified following the adoption of IFRS 9 (note 3).

Notes to the Group financial statements continued

31. Fair value methodology

Information in respect of the fair value of borrowings is included in note 28(a). There are no material differences between the carrying value of the Group's other financial assets and liabilities not measured at fair value and their estimated fair values. The following assumptions and methods are used to estimate the fair values:

- the fair values of receivables, payables and cash and cash equivalents are considered to approximate to the carrying amounts
- the fair values of short-term borrowings, other than bonds, are considered to approximate to the carrying amounts due to the short maturity terms of such instruments
- the fair value of that portion of bonds carried at amortised cost is based on quoted market prices, employing a valuation falling within Level 1 of the IFRS 13 fair value hierarchy
- the fair values of long-term variable rate bank loans and finance lease obligations are considered to approximate to the carrying amount; and
- the fair values of other financial assets and liabilities are calculated based on a discounted cash flow analysis, using a valuation methodology falling within Level 2 of the IFRS 13 fair value hierarchy.

32. Contractual undiscounted future cash flows for financial liabilities

At 31 March 2019	Less than one year US$m	One to two years US$m	Two to three years US$m	Three to four years US$m	Four to five years US$m	Over five years US$m	Total US$m
Borrowings	936	162	783	41	41	1,724	3,687
Net settled derivative financial instruments – interest rate swaps	2	2	2	2	1	1	10
Gross settled derivative financial instruments:							
Outflows for derivative contracts	974	—	—	—	—	—	974
Inflows for derivative contracts	(821)	—	—	—	—	—	(821)
Gross settled derivative financial instruments	153	—	—	—	—	—	153
Options in respect of non-controlling interests	17	—	—	—	—	—	17
Trade and other payables	541	33	1	2	1	6	584
Cash outflows	1,649	197	786	45	43	1,731	4,451

At 31 March 2018	Less than one year US$m	One to two years US$m	Two to three years US$m	Three to four years US$m	Four to five years US$m	Over five years US$m	Total US$m
Borrowings	1,015	1,276	130	592	8	650	3,671
Net settled derivative financial instruments – interest rate swaps	8	2	2	2	2	1	17
Gross settled derivative financial instruments:							
Outflows for derivative contracts	1,166	732	—	—	—	—	1,898
Inflows for derivative contracts	(1,100)	(646)	—	—	—	—	(1,746)
Gross settled derivative financial instruments	66	86	—	—	—	—	152
Options in respect of non-controlling interests	15	—	—	—	—	—	15
Trade and other payables	525	35	1	1	1	5	568
Cash outflows	1,629	1,399	133	595	11	656	4,423

The table above analyses financial liabilities into maturity groupings, based on the period from the balance sheet date to the contractual maturity date. As the amounts disclosed are the contractual undiscounted cash flows, they differ from the carrying values and fair values. Contractual undiscounted future cash outflows for derivative financial liabilities in total amount to US$163m (2018: US$169m).

33. Share incentive plans

(a) Cost of share-based compensation

	2019 US$m	2018 US$m
Share awards	82	72
Share options	5	4
Expense recognised (all equity-settled)	87	76
Charge for associated social security obligations	2	8
Total expense recognised in the Group income statement	**89**	84

The Group has a number of equity-settled, share-based employee incentive plans. Further information on share award arrangements is given in note 33(b). As the numbers of share options granted or outstanding and the related charge to the Group income statement are not significant, no further disclosures are included in these financial statements.

(b) Share awards

(i) 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. These include an assumed outcome for Benchmark PBT per share growth, as that forms the basis of the Profit performance condition for awards made.

	Performance conditions for vesting	Assumed outcome at grant date
CIP	50% – Profit performance assessed against specified targets	Benchmark PBT per share – 67% to 88% of target
	50% – Cumulative Benchmark operating cash flow	Cumulative Benchmark operating cash flow – 66% to 76% of target
PSP	75% – Profit performance assessed against specified targets	Benchmark PBT per share – 67% to 81% of target
	25% – Distribution percentage determined by ranking Total Shareholder Return (TSR) relative to a comparator group	TSR – 28% to 50%

CIP

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. The cumulative Benchmark operating cash flow performance condition (the Cash flow condition) is based on cumulative Benchmark operating cash flow over a three-year period. The period of assessment commences at the beginning of the financial year of grant. These are not market-based performance conditions as defined by IFRS 2.

	Profit performance condition			Cash flow condition	
Year of award	Minimum	Target	Maximum	Target	Maximum
Year ended 31 March 2019	**5% per annum**	**6% per annum**	**9% per annum**	**US$3.7bn**	**US$4.1bn**
Year ended 31 March 2018	n/a	4% per annum	8% per annum	US$3.6bn	US$4.0bn
Year ended 31 March 2017	n/a	4% per annum	8% per annum	US$3.6bn	US$4.0bn

PSP

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

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

Notes to the Group financial statements continued

33. Share incentive plans continued

(ii) Information on share grant valuations

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 2019 had a weighted average fair value per share of £17.86 (2018: £15.90).

(iii) Share awards outstanding

	2019 million	2018 million
At 1 April	13.9	13.5
Grants	4.0	5.2
Forfeitures	(0.5)	(1.1)
Lapse of awards	(0.1)	(1.0)
Vesting	(3.6)	(2.7)
At 31 March	**13.7**	13.9
Analysis by plan:		
CIP	4.7	4.7
PSP – conditional awards	3.9	4.2
PSP – unconditional awards	5.1	5.0
At 31 March	**13.7**	13.9

34. Post-employment benefit plans and related risks

An overview of the Group's post-employment benefit plans and the related risks is given below. The additional information required by IAS 19, which relates only to the Group's defined benefit pension plans and post-employment medical benefits obligations, is set out in note 35.

(a) Funded pension plans

The Group's principal defined benefit plan is the Experian Pension Scheme, which provides benefits for certain UK employees but was closed to new entrants in 2009. This plan has rules which specify the benefits to be paid, with the level of pension benefit that an employee will receive on retirement dependent on age, length of service and salary. As at 31 March 2019, there were 128 active members of this plan, 1,416 deferred members and 2,675 pensioner members.

The Group provides a defined contribution plan, the Experian Retirement Savings Plan, to other eligible UK employees. Under this plan, employee and employer contributions are paid by the Group into an independently administered fund, which is used to fund member pensions at retirement. As at 31 March 2019, there were 3,231 active members of this plan (2018: 3,366).

Both UK plans are governed by trust deeds, which ensure that their finances and governance are independent from those of the Group. Trustees are responsible for overseeing the investments and funding of the plans and plan administration. The UK pensions environment is regulated by The Pensions Regulator whose statutory objectives and regulatory powers are described on its website at www.thepensionsregulator.gov.uk.

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 2016 by independent qualified actuaries Mercer Limited, using the projected unit credit method. There was a small funding deficit at the date of that valuation. The next full valuation will be carried out as at 31 March 2019.

Employees in the USA and Brazil have the option to join local defined contribution plans and, as at 31 March 2019, there were 4,375 active members in the USA (2018: 4,172) and 1,152 in Brazil (2018: 1,173). There are no other material funded pension arrangements.

(b) Unfunded pension arrangements

The Group's unfunded pension arrangements are designed to ensure that certain directors and senior managers who are affected by the earnings cap, which was introduced by the UK government some years ago to set a ceiling on the amount of benefits that could be paid by defined benefit pension plans, are placed in broadly the same position as those who are not. There are also unfunded arrangements for Don Robert, a current director of the Company, and certain former directors and employees of Experian Finance plc and Experian Limited. Certain of these unfunded arrangements in the UK have been secured by the grant to an independent trustee of charges over an independently managed portfolio of marketable securities owned by the Group and reported as financial assets revalued through OCI (note 30(a)).

34. Post-employment benefit plans and related risks continued

(c) Post-employment medical benefits

The Group operates a plan which provides post-employment medical benefits to certain retired employees and their dependant relatives. This plan relates to former employees in the UK and, under it, the Group has undertaken to meet the cost of post-employment medical benefits for all eligible former employees who retired prior to 1 April 1994 and their dependants.

(d) Related risks

Through its defined benefit pension plans and post-employment medical benefits plan, the Group is exposed to a number of risks that are inherent in such plans and arrangements, which 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; and
- 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.

35. Post-employment benefits – IAS 19 information

(a) Post-employment benefit amounts recognised in the Group financial statements

(i) Balance sheet assets/(obligations)

	2019 US$m	2018 US$m
Retirement benefit assets/(obligations) – funded plans:		
Fair value of funded plans' assets	**1,122**	1,180
Present value of funded plans' obligations	**(1,061)**	(1,133)
Assets in the Group balance sheet for funded defined benefit pensions	**61**	47
Obligations for unfunded post-employment benefits:		
Present value of defined benefit pensions – unfunded plans	**(50)**	(53)
Present value of post-employment medical benefits	**(5)**	(5)
Liabilities in the Group balance sheet	**(55)**	(58)
Net post-employment benefit assets/(obligations)	**6**	(11)

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 the Group in the form of reductions in future contributions or refunds of surplus.

(ii) Income statement charge

	2019 US$m	2018 US$m
By nature of expense:		
Current service cost	**5**	6
Past service cost	**4**	—
Administration expenses	**2**	2
Charge within labour costs	**11**	8
Charge within operating profit	**11**	8
Interest expense	**—**	2
Total charge to income statement	**11**	10

The income statement charge and the remeasurement recognised in the Statement of comprehensive income relate to defined benefit plans. The past service cost is in respect of Guaranteed Minimum Pension equalisation (2018: US$nil).

Notes to the Group financial statements continued

35. Post-employment benefits – IAS 19 information continued

(b) Movements in net post-employment benefit assets/(obligations) recognised in the Group balance sheet

		Present value of obligations				
	Fair value of plan assets US$m	Defined benefit pensions – funded US$m	Defined benefit pensions – unfunded US$m	Post-employment medical benefits US$m	Total US$m	Movements in net position US$m
At 1 April 2018	1,180	(1,133)	(53)	(5)	(1,191)	(11)
Income statement (charge)/credit:						
Current service cost	—	(5)	—	—	(5)	(5)
Past service cost	—	(4)	—	—	(4)	(4)
Administration expenses	—	(2)	—	—	(2)	(2)
Interest income/(expense)	26	(24)	(2)	—	(26)	—
Total (charge)/credit to the Group income statement	26	(35)	(2)	—	(37)	(11)
Remeasurements:						
Return on plan assets other than interest	39	—	—	—	—	39
Gains from change in demographic assumptions	—	8	1	—	9	9
Losses from change in financial assumptions	—	(31)	(1)	—	(32)	(32)
Experience gains	—	1	(1)	—	—	—
Remeasurement of post-employment benefit assets and obligations	39	(22)	(1)	—	(23)	16
Differences on exchange	(83)	80	3	—	83	—
Contributions paid by the Group and employees	13	(1)	—	—	(1)	12
Benefits paid	(53)	50	3	—	53	—
At 31 March 2019	1,122	(1,061)	(50)	(5)	(1,116)	6

		Present value of obligations				
	Fair value of plan assets US$m	Defined benefit pensions – funded US$m	Defined benefit pensions – unfunded US$m	Post-employment medical benefits US$m	Total US$m	Movements in net position US$m
At 1 April 2017	1,041	(1,027)	(49)	(5)	(1,081)	(40)
Income statement (charge)/credit:						
Current service cost	—	(6)	—	—	(6)	(6)
Administration expenses	—	(2)	—	—	(2)	(2)
Interest income/(expense)	26	(26)	(2)	—	(28)	(2)
Total (charge)/credit to the Group income statement	26	(34)	(2)	—	(36)	(10)
Remeasurements:						
Return on plan assets other than interest	17	—	—	—	—	17
Gains from change in demographic assumptions	—	7	—	—	7	7
Gains from change in financial assumptions	—	3	—	—	3	3
Experience gains	—	1	—	—	1	1
Remeasurement of post-employment benefit assets and obligations	17	11	—	—	11	28
Differences on exchange	134	(130)	(5)	—	(135)	(1)
Contributions paid by the Group and employees	14	(2)	—	—	(2)	12
Benefits paid	(52)	49	3	—	52	—
At 31 March 2018	1,180	(1,133)	(53)	(5)	(1,191)	(11)

35. Post-employment benefits – IAS 19 information continued

(c) Actuarial assumptions and sensitivities

The accounting valuations at 31 March 2019 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 2019 to changes in the real discount rate, life expectancy and medical costs are included below. The methods and types of assumptions used are consistent with those used in the prior year and the absolute sensitivity numbers are stated on a basis consistent with the methodology used in determining the accounting valuation as at 31 March 2019. The methodology evaluates the effect of a change in each assumption on the relevant obligations, while holding all other assumptions constant.

(i) Financial actuarial assumptions

	2019 %	2018 %
Discount rate	**2.3**	2.4
Inflation rate – based on the UK Retail Prices Index (the RPI)	**3.2**	3.1
Inflation rate – based on the UK Consumer Prices Index (the CPI)	**2.2**	2.1
Increase in salaries	**3.7**	3.6
Increase for pensions in payment – element based on the RPI (where cap is 5%)	**3.0**	2.9
Increase for pensions in payment – element based on the CPI (where cap is 2.5%)	**1.7**	1.7
Increase for pensions in payment – element based on the CPI (where cap is 3%)	**1.9**	1.8
Increase for pensions in deferment	**2.2**	2.1
Inflation in medical costs	**6.2**	6.1

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 18 years. If the real discount rate increased/decreased by 0.1%, the defined benefit obligations at 31 March 2019 would decrease/increase by approximately US$21m and the annual current service cost would decrease/increase by US$0.1m.

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

(ii) Mortality assumptions – average life expectancy on retirement at age 65 in normal health

	2019 years	2018 years
For a male currently aged 65	**22.3**	22.6
For a female currently aged 65	**24.5**	24.9
For a male currently aged 50	**23.2**	23.6
For a female currently aged 50	**25.6**	26.0

The accounting valuation assumes that mortality will be in line with standard tables adjusted to reflect the expected experience of the Experian Pension Scheme membership, based on analysis carried out for the 2016 actuarial valuation. A specific allowance for anticipated future improvements in life expectancy is also incorporated. An increase in assumed life expectancy of 0.1 years would increase the defined benefit obligations at 31 March 2019 by approximately US$5m.

(iii) 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 obligation at 31 March 2019 and the finance expense would remain unchanged.

(iv) Increase in salaries

An increase of 0.1% to the salary increase rate would increase the obligation at 31 March 2019 by approximately US$1m, and the service charge would remain unchanged.

Notes to the Group financial statements continued

35. Post-employment benefits – IAS 19 information continued

(d) Assets of the Group's defined benefit plans at fair value

	2019		2018	
	US$m	%	US$m	%
UK equities	10	1	13	1
Overseas equities	253	22	380	32
Index linked gilts	365	33	369	31
Global corporate bonds	336	30	171	15
Diversified growth fund	—	—	116	10
Secured credit	115	10	122	10
Other unlisted	17	2	—	—
Other	26	2	9	1
	1,122	100	1,180	100

During the year the Trustee of the Experian Pension Scheme implemented a new, lower risk, investment strategy. The strategy includes a target allocation of 15% of the Scheme's assets in less liquid investments. All other assets are invested in a range of unitised pooled funds, which range from being daily traded to monthly dealing.

The Trustee is aiming to further reduce investment risk and funding volatility. It has adopted funding-based triggers to implement further de-risking of the investment strategy as conditions allow. These triggers will be kept under review. Over time, the Scheme is expected to further increase its allocation to income-generative assets, to provide cash flows to match expected benefit payments.

The Group's defined benefit plans have no holdings of ordinary shares or borrowings of the Company.

(e) 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 deficit contributions of US$4m per annum over five years from 1 April 2017. Contributions, including deficit contributions, currently expected to be paid to this plan during the year ending 31 March 2020 are US$9m by the Group and US$1m by employees.

36. Deferred and current tax

(a) Deferred tax

(i) Net deferred tax assets/(liabilities)

	2019 US$m	2018 (Restated) (Note 3) US$m
At 1 April	(22)	(184)
Differences on exchange	(8)	—
Tax credit in the Group income statement – continuing operations (note 17(a))	42	192
Business combinations	—	(20)
Tax recognised within Other comprehensive income	(1)	(6)
Tax recognised directly in equity on transactions with owners	5	(3)
Disposal of subsidiaries	—	1
Transfers	(1)	(2)
At 31 March	15	(22)
Presented in the Group balance sheet as:		
Deferred tax assets	147	140
Deferred tax liabilities	(132)	(162)
	15	(22)

Tax recognised in Other comprehensive income is in respect of the remeasurement of post-employment benefit assets and obligations.

36. Deferred and current tax continued

(a) Deferred tax continued

(ii) Movements in gross deferred tax assets and liabilities

Assets	Intangibles US$m	Tax losses US$m	Share incentive plans US$m	Accelerated depreciation US$m	Other US$m	Total US$m
At 1 April 2018 (Restated) (Note 3)	372	104	32	14	167	689
Differences on exchange	(54)	(2)	—	(2)	(6)	(64)
Tax recognised in the Group income statement	10	(11)	4	(1)	79	81
Tax recognised within Other comprehensive income	—	—	—	—	(1)	(1)
Tax recognised directly in equity on transactions with owners	—	—	5	—	—	5
Transfers	(1)	5	(1)	—	31	34
At 31 March 2019	**327**	**96**	**40**	**11**	**270**	**744**

Assets (Restated) (Note 3)	Intangibles US$m	Tax losses US$m	Share incentive plans US$m	Accelerated depreciation US$m	Other US$m	Total US$m
At 1 April 2017	369	90	26	11	267	763
Differences on exchange	(12)	—	1	1	(2)	(12)
Tax recognised in the Group income statement	14	14	8	1	(92)	(55)
Tax recognised within Other comprehensive income	—	—	—	—	(6)	(6)
Tax recognised directly in equity on transactions with owners	—	—	(3)	—	—	(3)
Transfers	1	—	—	1	—	2
At 31 March 2018	372	104	32	14	167	689

Liabilities	Intangibles US$m	Accelerated depreciation US$m	Other US$m	Total US$m
At 1 April 2018 (Restated) (Note 3)	703	27	(19)	711
Differences on exchange	(56)	—	—	(56)
Tax recognised in the Group income statement – continuing operations	41	(5)	3	39
Transfers	11	(3)	27	35
At 31 March 2019	**699**	**19**	**11**	**729**

Liabilities (Restated) (Note 3)	Intangibles US$m	Accelerated depreciation US$m	Other US$m	Total US$m
At 1 April 2017	935	25	(13)	947
Differences on exchange	(10)	—	(2)	(12)
Tax recognised in the Group income statement – continuing operations	(241)	1	(7)	(247)
Additions through business combinations	20	—	—	20
Transfers	(1)	1	4	4
Disposal of subsidiary	—	—	(1)	(1)
At 31 March 2018	703	27	(19)	711

These movements do not take into consideration the offsetting of assets and liabilities within the same tax jurisdiction. Items classified as Other assets in the above analyses predominantly relate to future tax benefits deferred in line with local tax laws.

Notes to the Group financial statements continued

36. Deferred and current tax continued

(a) Deferred tax continued

(iii) Other information on deferred tax assets and liabilities

As set out in note 6, there are a number of critical judgments in assessing the recognition of deferred tax assets. The Group has not recognised deferred tax on losses of US$416m (2018: US$437m) that could be utilised against future taxable income and on US$350m (2018: US$367m) in respect of capital losses that could be utilised against future taxable gains. While these losses are available indefinitely, they have arisen in undertakings in which it is not currently anticipated that future benefit will be available from their use. The capital losses arising on the investments are available for use within five years, and future taxable profits against which the capital losses could be utilised are not currently anticipated.

There are retained earnings of US$8,924m (2018: US$13,091m (restated note 3)) in subsidiary undertakings which could be subject to tax if remitted to Experian plc. No deferred tax liability has been recognised on these earnings because the Group is in a position to control the timing of the reversal of the temporary difference and it is probable that such differences will not reverse in the foreseeable future. Given the mix of countries and tax rates, it is not practicable to determine the impact of such remittance.

During the current year the main rate of UK corporation tax was 19% (2018: 19%). It will be reduced further to 17% from 1 April 2020.

(b) Net current tax assets/(liabilities)

	2019 US$m	2018 US$m
At 1 April	(251)	(124)
Exchange and other differences	—	14
Tax charge in the Group income statement – continuing operations (note 17(a))	(298)	(328)
Tax charge in the Group income statement – discontinued operations	—	(53)
Tax recognised directly in equity on transactions with owners	3	3
Tax paid on profit on disposal of subsidiaries	18	22
Other tax paid	233	191
Transfers	9	24
At 31 March	**(286)**	(251)
Presented in the Group balance sheet as:		
Current tax assets	27	27
Current tax liabilities	(313)	(278)
	(286)	(251)

Tax recognised directly in equity on transactions with owners relates to employee share incentive plans.

37. Provisions

	2019				2018			
	Legal claims costs US$m	North America security incident costs US$m	Other liabilities US$m	Total US$m	Legal claims costs US$m	North America security incident costs US$m	Other liabilities US$m	Total US$m
At 1 April	22	22	26	70	17	4	29	50
Differences on exchange	—	—	(4)	(4)	—	—	(1)	(1)
Amount charged in the year	—	—	9	9	22	22	11	55
Utilised	(17)	(10)	(7)	(34)	(17)	(4)	(13)	(34)
At 31 March	5	12	24	41	22	22	26	70

Legal claims represent a number of related legal claims arising in North America.

The North America security incident costs are fully covered by insurance, with the amounts provided and utilised offset by equal movements in the insurance receivable recognised within Trade and other receivables. Details of the contingent liabilities are given in note 44(a).

Other liabilities principally comprise liabilities of Serasa S.A., in connection with local legal and tax issues, which were primarily recognised on its acquisition in 2007.

38. Called-up share capital and share premium account

At 31 March 2019, there were 971.5m shares in issue (2018: 980.1m). During the year ended 31 March 2019, 0.9m (2018: 1.1m) shares were issued and 9.5m (2018: 26.6m) shares were cancelled. Further information on share capital is contained in note O to the Company financial statements.

The difference between the amounts shown in the Group and Company financial statements in respect of called-up share capital and the share premium account arose due to translation of pound sterling amounts into the US dollar at various exchange rates on various translation dates.

39. Retained earnings and other reserves

(a) Retained earnings

Retained earnings comprise net profits retained in the Group after the payment of equity dividends. There are no significant statutory, contractual or exchange control restrictions on distributions by Group undertakings.

(b) Other reserves

(i) Movements in reserves

	Merger reserve US$m	Hedging reserve US$m	Translation reserve US$m	Own shares reserve US$m	Total other reserves US$m
At 1 April 2018	(15,682)	11	(877)	(1,227)	(17,775)
Exercise of share awards and options	—	—	—	60	60
Currency translation losses	—	—	(178)	—	(178)
At 31 March 2019	**(15,682)**	**11**	**(1,055)**	**(1,167)**	**(17,893)**

	Merger reserve US$m	Hedging reserve US$m	Translation reserve[1] US$m	Own shares reserve US$m	Total other reserves US$m
At 1 April 2017	(15,682)	11	(901)	(1,232)	(17,804)
Purchase of shares by employee trusts	—	—	—	(37)	(37)
Exercise of share awards and options	—	—	—	42	42
Currency translation gains	—	—	24	—	24
At 31 March 2018	(15,682)	11	(877)	(1,227)	(17,775)

1 The translation reserve is restated following the adoption of IFRS 15 (note 3).

(ii) Nature of reserves

The merger reserve arose on the demerger from GUS plc in 2006 and is the difference between the share capital and share premium of GUS plc and the nominal value of the share capital of the Company before a share offer at that date.

Movements on the hedging reserve and the position at the balance sheet date reflect hedging transactions which are not charged or credited to the Group income statement, net of related tax.

Movements on the translation reserve and the position at the balance sheet date reflect foreign currency translations since 1 April 2004 which are not charged or credited to the Group income statement, net of related tax. The movement in the year ended 31 March 2019 comprises currency translation losses of US$178m (2018: gains of US$24m) recognised directly in Other comprehensive income.

The balance on the own shares reserve is the cost of ordinary shares in the Company and further details are given in note 39(b)(iii). The difference between the amounts shown in the Group and Company financial statements in respect of this reserve arose due to translation of pound sterling amounts into US dollars at different exchange rates on different translation dates.

Notes to the Group financial statements continued

39. Retained earnings and other reserves continued

(b) Other reserves continued

(iii) Movements in own shares held and own shares reserve

	Number of own shares held			Cost of own shares held		
	Treasury million	**Trusts million**	**Total million**	**Treasury US$m**	**Trusts US$m**	**Total US$m**
At 1 April 2018	**62**	**12**	**74**	**992**	**235**	**1,227**
Exercise of share awards and options	**(1)**	**(3)**	**(4)**	**(7)**	**(53)**	**(60)**
At 31 March 2019	**61**	**9**	**70**	**985**	**182**	**1,167**

	Number of own shares held			Cost of own shares held		
	Treasury million	Trusts million	Total million	Treasury US$m	Trusts US$m	Total US$m
At 1 April 2017	62	13	75	997	235	1,232
Purchase of shares by employee trusts	—	2	2	—	37	37
Exercise of share awards and options	—	(3)	(3)	(5)	(37)	(42)
At 31 March 2018	62	12	74	992	235	1,227

40. Notes to the Group cash flow statement

(a) Cash generated from operations

	Notes	**2019 US$m**	2018 (Restated) (Note 3) US$m
Profit before tax		**957**	950
Share of post-tax profit of associates		**(3)**	(8)
Net finance costs		**208**	109
Operating profit		**1,162**	1,051
Profit on disposal of fixed assets		**(5)**	(17)
Profit on disposal of businesses		**(5)**	—
Depreciation and amortisation	13	**437**	438
Charge in respect of share incentive plans	33(a)	**87**	76
Increase in working capital	40(b)	**(26)**	(26)
Acquisition expenses – difference between income statement charge and amount paid		**(2)**	5
Fair value gain on revaluation of step acquisition		**—**	(4)
Adjustment to the fair value of contingent consideration		**16**	3
Movement in Exceptional items included in working capital		**(25)**	3
Cash generated from operations		**1,639**	1,529

Depreciation and amortisation includes amortisation of acquisition intangibles of US$111m (2018: US$112m) which is excluded from Benchmark PBT.

40. Notes to the Group cash flow statement continued

(b) Increase in working capital

	2019 US$m	2018 (Restated) (Note 3) US$m
Trade and other receivables	(65)	(156)
Trade and other payables	39	130
Increase in working capital	**(26)**	(26)

(c) Purchase of other intangible assets

	2019 US$m	2018 US$m
Databases	171	192
Internally generated software	156	129
Internal use software	21	39
Purchase of other intangible assets	**348**	360

(d) Cash flows on acquisitions (non-GAAP measure)

	2019 US$m	2018 US$m
Purchase of subsidiaries (note 41(a))	56	147
Net cash acquired with subsidiaries	—	(6)
Deferred consideration settled	16	5
As reported in the Group cash flow statement	72	146
Acquisition expenses paid	26	15
Transactions in respect of non-controlling interests	(3)	8
Cash outflow for acquisitions (non-GAAP measure)	**95**	169

(e) Cash outflow in respect of net share purchases (non-GAAP measure)

	2019 US$m	2018 US$m
Purchase and cancellation of own shares	228	544
Issue of ordinary shares	(13)	(16)
Purchase of shares by employee trusts	—	37
Cash outflow in respect of net share purchases (non-GAAP measure)	**215**	565
As reported in the Group cash flow statement:		
Cash outflow in respect of net share purchases	228	581
Cash inflow in respect of net share purchases	(13)	(16)
Cash outflow in respect of net share purchases (non-GAAP measure)	**215**	565

Notes to the Group financial statements continued

40. Notes to the Group cash flow statement continued

(f) Analysis of cash and cash equivalents

	2019 US$m	2018 US$m
Cash and cash equivalents in the Group balance sheet	149	156
Bank overdrafts	(3)	(19)
Cash and cash equivalents in the Group cash flow statement	**146**	137

(g) Reconciliation of Cash generated from operations to Benchmark operating cash flow (non-GAAP measure)

	Note	2019 US$m	2018 US$m
Cash generated from operations	40(a)	1,639	1,529
Purchase of other intangible assets	40(c)	(348)	(360)
Purchase of property, plant and equipment		(91)	(71)
Sale of property, plant and equipment		13	26
Acquisition expenses paid		26	15
Dividends received from associates		6	3
Cash flows in respect of Exceptional and other non-benchmark items		25	54
Benchmark operating cash flow (non-GAAP measure)		**1,270**	1,196

Benchmark free cash flow for the year ended 31 March 2019, as set out in the Financial review within the Strategic report, was US$907m (2018:US$915m). Cash flow conversion for the year ended 31 March 2019 was 97% (2018: 96% (restated note 3)).

41. Acquisitions

(a) Acquisitions in the year

The Group made one immaterial acquisition during the year ended 31 March 2019, in connection with which provisional goodwill of US$43m was recognised based on the fair value of the net assets acquired of US$13m.

Net assets acquired, goodwill and acquisition consideration are analysed below.

	2019 US$m
Intangible assets:	
Customer and other relationships	18
Trademarks	7
Intangible assets	25
Trade and other receivables	2
Trade and other payables	(14)
Total identifiable net assets	13
Goodwill	43
Total	56
Satisfied by:	
Cash	56

The provisional fair value contains amounts which will be finalised no later than one year after the date of acquisition. Provisional amounts have been included at 31 March 2019 as a consequence of the timing and complexity of the acquisition. Goodwill represents the synergies, assembled workforces and future growth potential of the business. The goodwill arising in the year of US$43m is currently deductible for tax purposes.

A further US$6m of goodwill was recognised in the year in relation to the acquisition of Clarity Services, Inc., which completed in the year ended 31 March 2018, as a result of the finalisation of the acquisition accounting. Deferred consideration of US$16m was paid in the year and a US$16m increase in the fair value of contingent consideration was recognised in the Group income statement in respect of this and other acquisitions made during the year ended 31 March 2018.

There have been no other material gains, losses, error corrections or other adjustments recognised in the year ended 31 March 2019 that relate to acquisitions in the current or prior years.

41. Acquisitions continued

(b) Additional information

(i) Current year acquisition

	2019 US$m
Increase in book value from fair value adjustments:	
Intangible assets	25
Trade and other payables	(7)
Increase in book value from fair value adjustments	**18**
Gross contractual amounts receivable in respect of trade and other receivables	2
Pro-forma revenue from 1 April 2018 to date of acquisition	11
Revenue from date of acquisition to 31 March 2019	1
Profit before tax from date of acquisition to 31 March 2019	—

At the date of acquisition, the gross contractual amounts receivable in respect of trade and other receivables of US$2m were expected to be collected in full.

If the transaction had occurred on the first day of the financial year, the estimated additional contribution to Group revenues would have been US$11m and the profit before tax would have been US$1m.

(ii) Prior year acquisitions

The Group made three acquisitions in the year ended 31 March 2018 which included the acquisition of the whole of the issued share capital of Clarity Services, Inc. A cash outflow of US$141m was reported in the Group cash flow statement for that year, after deduction of US$6m in respect of net cash acquired. There was also deferred consideration settled of US$5m on acquisitions made prior to 31 March 2018.

(iii) Post balance sheet acquisition

On 30 April 2019, the Group completed the transaction to acquire Compuscan (CSH Group (Pty) Limited) for R3,720m (c. US$263m)[1]. A successful provider of credit data and analytics services to clients of all sizes in South Africa. The fair value of goodwill, software development, customer relationships and other assets and liabilities will be reported in the Group's half-yearly financial statements for the six months ending 30 September 2019 and in the 2020 Annual Report.

1 Cash consideration before adjustment for debt and net working capital. Translated at ZAR/US$ exchange rate of 14.17.

Notes to the Group financial statements continued

42. Disposals

(a) Profit on disposal - year ended 31 March 2019

During the year ended 31 March 2019 two small businesses were divested, one based in the UK and Ireland region and one in Latin America. In total, proceeds of US$12m were received in cash which resulted in a profit on disposal of US$5m being recognised in the year.

(b) Profit on disposal – year ended 31 March 2018

On 31 May 2017 we completed the divestment of CCM:

	US$m
Net assets disposed of – book value at date of disposal:	
Goodwill	214
Other intangible assets	50
Property, plant and equipment	17
Trade and other receivables	73
Deferred tax assets	2
Trade and other payables	(10)
Accruals and contract liabilities[1]	(13)
Current tax liabilities	(3)
Deferred tax liabilities	(17)
Net assets disposed of	313
Disposal proceeds:	
Net cash proceeds after consideration of working capital adjustments and mutual transaction costs	270
Promissory note	75
Share of divested business	31
Transaction costs and provisions	(9)
Total net proceeds	367
Profit on disposal	54

1 Balances historically presented as deferred income are now presented as contract liabilities following the adoption of IFRS 15 (note 3).

(c) Cash inflow from disposals

	2019	2018			
	Total US$m	CCM US$m	Comparison shopping and lead generation businesses US$m	Other US$m	Total US$m
Proceeds received in cash	**12**	270	—	2	272
Transaction costs	**—**	(7)	—	—	(7)
Proceeds from loan note	**—**	—	15	—	15
Net cash inflow	**12**	263	15	2	280

In the year ended 31 March 2018, we divested CCM and received the remaining value of the loan note receivable in relation to the disposal of the comparison shopping and lead generation business in 2012. In addition, we divested a small North American based business, the proceeds of which were US$2m.

43. Commitments

(a) Operating lease commitments

	2019 US$m	2018 US$m
Commitments under non-cancellable operating leases are payable:		
In less than one year	**55**	53
Between one and five years	**151**	128
In more than five years	**48**	55
	254	236

The Group leases offices, vehicles and technology under non-cancellable operating lease agreements with varying terms, escalation clauses and renewal rights. The charge for the year was US$56m (2018: US$54m).

(b) Capital commitments

	2019 US$m	2018 US$m
Capital expenditure for which contracts have been placed:		
Intangible assets	**7**	13
Property, plant and equipment	**12**	14
	19	27

Capital commitments at 31 March 2019 include commitments of US$3m not expected to be incurred before 31 March 2020. Commitments as at 31 March 2018 included US$8m not then expected to be incurred before 31 March 2019.

44. Contingencies

(a) North America security incident

In September 2015, Experian North America suffered an unauthorised intrusion to its Decision Analytics computing environment that allowed unauthorised acquisition of certain data belonging to a client, T-Mobile USA, Inc. We notified the individuals who may have been affected and offered free credit monitoring and identity theft resolution services. In addition, government agencies were notified as required by law. The costs of directly responding to this incident were reflected in a US$20m income statement charge in the year ended 31 March 2016.

We have received a number of class actions and other related claims in respect of the incident and are working with regulators and government bodies as part of their investigations. It is currently not possible to predict the scope and effect on the Group of these various regulatory and government investigations and legal actions, including their timing and scale. In the event of unfavourable outcomes, the Group may benefit from applicable insurance recoveries.

(b) Brazil tax

As previously indicated, Serasa S.A. has been advised that the Brazilian tax authorities are challenging the deduction for tax purposes of goodwill amortisation arising from its acquisition by Experian in 2007. In August 2017, the Brazilian courts ultimately upheld Experian's position in respect of the tax years from 2007 to 2010 with no further right of appeal. The Brazilian tax authorities have raised a similar assessment in respect of the 2011 and 2012 tax years, in which approximately US$45m was claimed, and may raise similar claims in respect of other years. The possibility of this resulting in a liability to the Group is believed to be remote, on the basis of the advice of external legal counsel, success in the first case and other factors in respect of the claim.

(c) UK marketing services regulation

Experian is in a process with 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 new EU General Data Protection Regulation (GDPR), which relates to our marketing services activities in the UK. We expect the outcome of this review to be released in early FY20. At this stage we do not know what the final outcome will be, but it may require some changes to business processes in our UK marketing services business. This business represents approximately 1.6% of Experian's global revenues and we do not expect this to result in a materially adverse financial outcome for the Experian Group.

(d) Other litigation and claims

There continue to be a number of pending and threatened litigation and other claims involving the Group across all its major geographies which are being vigorously defended. The directors do not believe that the outcome of any such claims will have a materially adverse effect on the Group's financial position. However, as is inherent in legal, regulatory and administrative proceedings, there is a risk of outcomes that may be unfavourable to the Group. In the case of unfavourable outcomes, the Group may benefit from applicable insurance recoveries.

Notes to the Group financial statements continued

45. Principal subsidiary undertakings and related party transactions

(a) Principal subsidiary undertakings at 31 March 2019

Company	Principal activity	Country of incorporation
Experian Finance plc	Holding and finance company, and administrative services	England and Wales
Experian Holdings Limited	Holding company	England and Wales
Experian Limited	Information services	England and Wales
Experian Technology Limited	Development of intellectual property	England and Wales
Experian (UK) Finance Limited	Holding company	England and Wales
Serasa S.A.	Information services	Brazil
Experian Colombia S.A.	Information services	Colombia
Experian Group Services Limited	Finance company and administrative services	Ireland
Experian Holdings Ireland Limited	Holding company	Ireland
ConsumerInfo.com Inc	Consumer services	USA
Experian Health, Inc.	Information services	USA
Experian Holdings, Inc.	Holding company	USA
Experian Information Solutions Inc	Information services	USA
Experian Services Corp.	Administrative services	USA

The above table shows the Company's significant subsidiary undertakings at 31 March 2019 and for the year then ended. The Company holds direct or indirect interests in the whole of the issued ordinary shares of these undertakings apart from Serasa S.A., in which its interest is 99.7%. A full list of the Company's related undertakings, including subsidiary undertakings, is given in note R to the Company financial statements. There are no significant non-controlling interests.

(b) Transactions with associates

A full list of associate undertakings is given in note R(iv) to the Company financial statements. Following the divestment of CCM in the year ended 31 March 2018 the Group owns 24.47% of the issued share capital of Vector CM Holdings (Cayman), L.P. (Vector), a partnership incorporated in Cayman Islands.

The Group recorded the following transactions and balances with Vector and its subsidiaries:

	Transaction amount		Balance owed to Experian	
	To 31 March 2019 US$m	To 31 March 2018 US$m	**At 31 March 2019 US$m**	At 31 March 2018 US$m
Promissory note	**7**	78	**85**	78
Interest on promissory note	**7**	2	**2**	2
Transitional Services Arrangement (TSA) fees	**2**	15	**—**	1
Net amounts collected/(settled) and (payable)/receivable under the TSA	**(6)**	3	**(1)**	2

The promissory note is due and payable to Experian on 31 May 2024 with interest also payable on this date. The 12-month TSA between the Group and Vector to provide services to the partnership has been extended. During the year ended 31 March 2019, we continued to process transactions on behalf of Vector. We receive a pre-agreed fee for the execution of the TSA and do not receive any margin on individual transactions. Details of amounts arising from the TSA are shown in the table below.

	Transaction amount		Balance owed to Vector	
	To 31 March 2019 US$m	To 31 March 2018 US$m	**At 31 March 2019 US$m**	At 31 March 2018 US$m
Cash received on behalf of Vector	**28**	77	**1**	6

	Transaction amount		Balance owed to Experian	
	To 31 March 2019 US$m	To 31 March 2018 US$m	**At 31 March 2019 US$m**	At 31 March 2018 US$m
Cash paid on behalf of Vector	**22**	80	**—**	8

In the year ended 31 March 2018 the Group acquired a 25% stake in London & Country Mortgages Limited. During the year transactions with this associate totalled US$6m (2018: US$1m). The balance owed to Experian at 31 March was US$0.4m (2018: US$nil).

45. Principal subsidiary undertakings and related party transactions continued

(c) Transactions with other related undertakings

The Group transacts with a number of related undertakings in connection with the operation of its share incentive plans, pension arrangements in the UK, the USA and Brazil, and the provision of medical cover in the UK. These undertakings are listed in note R(v) to the Company financial statements. Transactional relationships can be summarised as follows:

- The assets, liabilities and expenses of the Experian UK Approved All-Employee Share Plan and The Experian plc Employee Share Trust are included in these financial statements.
- During the year ended 31 March 2019, US$53m (2018: US$52m) was paid by the Group to related undertakings, in connection with the provision of post-employment pensions benefits in the UK, the USA and Brazil and US$2m (2018: US$2m) was paid by the Group to Experian Medical Plan Limited, in connection with the provision of healthcare benefits.
- There were no other material transactions or balances with these related undertakings during the current or prior year.

(d) Remuneration of key management personnel

	2019 US$m	2018 US$m
Salaries and short-term employee benefits	**11**	9
Share incentive plans	**12**	10
Pension payments	**1**	1
	24	20

Key management personnel comprises the Company's executive and non-executive directors and further details of their remuneration are given in the audited parts of the Report on directors' remuneration. There were no other material transactions with the Group in which the key management personnel had a personal interest, in either the current or prior year.

46. Events occurring after the end of the reporting period

Details of the second interim dividend announced since the end of the reporting period are given in note 20.

Details of the post balance sheet acquisition completed on 30 April 2019 are provided in note 41(b)(iii).

Company profit and loss account

for the year ended 31 March 2019

	Notes	2019 US$m	2018 US$m
Other operating income	G	**62.9**	72.2
Staff costs	H	**(3.8)**	(3.8)
Other operating expenses	G	**(87.6)**	(83.4)
Operating loss		**(28.5)**	(15.0)
Interest receivable and similar income	I	**86.8**	6.0
Dividend income from subsidiary undertakings	L	**5,222.0**	—
Profit/(loss) before tax		**5,280.3**	(9.0)
Tax on profit/(loss)	J	**(13.6)**	66.5
Profit after tax and for the financial year		**5,266.7**	57.5

Company statement of comprehensive income

for the year ended 31 March 2019

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

Company balance sheet

at 31 March 2019

	Notes	2019 US$m	2018 US$m
Fixed assets			
Investments – shares in Group undertakings	L	**5,301.3**	8,357.7
Deferred tax assets	J	**52.9**	66.5
		5,354.2	8,424.2
Current assets			
Debtors – amounts falling due within one year	M	**15,073.5**	15,733.7
Current liabilities			
Creditors – amounts falling due within one year	N	**(1,369.2)**	(10,216.2)
Net current assets		**13,704.3**	5,517.5
Net assets		**19,058.5**	13,941.7
Equity			
Called-up share capital	O	**73.1**	74.0
Share premium account	O	**1,229.1**	1,215.8
Profit and loss account reserve	P	**17,756.3**	12,651.9
Total shareholders' funds		**19,058.5**	13,941.7

These financial statements were approved by the Board on 14 May 2019 and were signed on its behalf by:

George Rose
Director

Company statement of changes in total equity

for the year ended 31 March 2019

	Called-up share capital (Note O) US$m	Share premium account (Note O) US$m	Profit and loss account reserve: Profit and loss account US$m	Profit and loss account reserve: Own shares reserve US$m	Profit and loss account reserve: Total (Note P) US$m	Total equity US$m
At 1 April 2018	74.0	1,215.8	13,847.8	(1,195.9)	12,651.9	13,941.7
Profit and Total comprehensive income for the financial year	—	—	5,266.7	—	5,266.7	5,266.7
Transactions with owners:						
Employee share incentive plans:						
– value of employee services	—	—	86.7	—	86.7	86.7
– shares issued on vesting	0.1	13.3	—	—	—	13.4
– other exercises of share awards and options	—	—	(59.5)	59.4	(0.1)	(0.1)
Purchase and cancellation of own shares	(1.0)	—	(229.5)	—	(229.5)	(230.5)
Dividends paid	—	—	(19.4)	—	(19.4)	(19.4)
Transactions with owners	(0.9)	13.3	(221.7)	59.4	(162.3)	(149.9)
At 31 March 2019	73.1	1,229.1	18,892.8	(1,136.5)	17,756.3	19,058.5

	Called-up share capital (Note O) US$m	Share premium account (Note O) US$m	Profit and loss account reserve: Profit and loss account US$m	Profit and loss account reserve: Own shares reserve US$m	Profit and loss account reserve: Total (Note P) US$m	Total equity US$m
At 1 April 2017	76.6	1,200.1	14,315.7	(1,200.9)	13,114.8	14,391.5
Profit and Total comprehensive income for the financial year	—	—	57.5	—	57.5	57.5
Transactions with owners:						
Employee share incentive plans:						
– value of employee services	—	—	75.7	—	75.7	75.7
– shares issued on vesting	0.1	15.7	—	—	—	15.8
– other exercises of share awards and options	—	—	(42.4)	42.1	(0.3)	(0.3)
– purchase of shares by employee trusts	—	—	—	(37.1)	(37.1)	(37.1)
Purchase and cancellation of own shares	(2.7)	—	(541.8)	—	(541.8)	(544.5)
Dividends paid	—	—	(16.9)	—	(16.9)	(16.9)
Transactions with owners	(2.6)	15.7	(525.4)	5.0	(520.4)	(507.3)
At 31 March 2018	74.0	1,215.8	13,847.8	(1,195.9)	12,651.9	13,941.7

Notes to the Company financial statements

for the year ended 31 March 2019

A. Corporate information

Corporate information for Experian plc (the Company) is set out in note 1 to the Group financial statements, with further information given in the Strategic report and the Corporate governance report.

B. Basis of preparation

The separate financial statements of the Company are presented voluntarily and are:

- prepared on the going concern basis under the historical cost convention and in accordance with UK accounting standards;
- presented in US dollars, the Company's functional currency; and
- designed to include disclosures in line with those required by those parts of the UK Companies Act 2006 applicable to companies reporting under UK accounting standards even though the Company is incorporated and registered in Jersey.

The directors opted to prepare the financial statements for the year ended 31 March 2019 in accordance with FRS 101 'Reduced Disclosure Framework'. The Company intends to continue to use this accounting framework until further notice.

C. FRS 101 exemptions

FRS 101 allows certain exemptions from the requirements of 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; and
  - paragraph 73(e) of IAS 16 'Property, Plant and Equipment' – reconciliations between the carrying amount at the beginning and end of that period.
- 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'.
- Paragraph 17 of IAS 24 'Related Party Disclosures', exempting the Company from disclosing details of key management compensation.
- The requirements in IAS 24 'Related Party Disclosures' to disclose related party transactions with wholly-owned members of the Group.

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

D. Significant accounting policies

The significant accounting policies applied are summarised below. They have been consistently applied to both years presented. The explanations of these policies focus on areas where judgment is applied or which are particularly important in the financial statements.

Accounting Standards IFRS 9 'Financial Instruments' and IFRS 15 'Revenue from Contracts with Customers' were effective for the first time in the year ended 31 March 2019. The transition to these new Accounting Standards had no effect on the Company's financial position and financial performance in the current or prior year and accordingly no such explanation or reconciliations are required in these financial statements.

Content from Accounting Standards, amendments and interpretations is excluded where there is simply no policy choice under UK Accounting Standards.

(i) Foreign currency

The Company 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.

(ii) Investments – shares in Group undertakings

Investments in Group undertakings are stated at cost less any provisions for impairment. The Company follows IAS 36 'Impairment of Assets'. The fair value of share incentives issued by the Company to employees of Group undertakings is accounted for as a capital contribution and recognised as an increase in the Company's investment in Group undertakings, with a corresponding increase in equity.

(iii) Debtors and creditors

Debtors are initially recognised at fair value and subsequently measured at this value. Where the time value of money is material, they are then carried at amortised cost using the effective interest rate method. 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 rate method.

(iv) Cash at bank and in hand

Cash at bank includes deposits held at call with banks and other short-term highly liquid investments.

D. Significant accounting policies continued

(v) Accounting for derivative financial instruments

The Company uses forward foreign exchange contracts to manage its exposures to fluctuations in foreign exchange rates. The interest differential reflected in forward foreign exchange contracts is taken to interest receivable and similar income or interest payable and similar expenses. Forward foreign exchange contracts are recognised at fair value, based on forward foreign exchange market rates at the balance sheet date. Gains or losses on forward foreign exchange contracts are taken to the profit and loss account in the year in which they arise.

(vi) Tax

Current tax is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in Ireland, where the Company is resident.

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. Deferred tax assets are recognised only to the extent that they are expected to be recoverable.

(vii) Own shares

The Group has a number of equity-settled, share-based employee incentive plans. In connection with these, shares in the Company are held by The Experian plc Employee Share Trust and the Experian UK Approved All-Employee Share Plan. The assets, liabilities and expenses of these separately administered trusts are included in the financial statements as if they were the Company's own. The trusts' assets mainly comprise Experian shares, which are shown as a deduction from total shareholders' funds at cost.

Experian shares purchased and held as treasury shares, in connection with the above plans and any share purchase programme, are also shown as a deduction from total shareholders' funds at cost. The par value of shares that are purchased and cancelled, in connection with any share purchase programme, is accounted for as a reduction in called-up share capital with any cost in excess of that amount being deducted from the profit and loss account. The Company is not required to recognise the par value of cancelled shares in a capital redemption reserve.

Contractual obligations to purchase own shares are recognised at the net present value of expected future payments. Gains and losses in connection with such obligations are recognised in the profit and loss account. Gains and losses which arise on financial instruments created by advance instructions to trade in own shares are recognised directly in equity.

(viii) Profit and loss account format

Income and expenses, which are recognised on an accruals basis, are reported by nature in the profit and loss account, as this reflects the composition of the Company's income and cost base.

(ix) Dividend income

Dividend income is recognised in profit or loss on the date on which the Company's right to receive payment is established. Liquidation dividends are treated as a return of capital to the extent they are used to recover the carrying value of the investment in the liquidated entity. Any amount received in excess of the investment value is treated as income in the Company profit and loss account.

E. Recent accounting developments

IFRS 16 'Leases' is in issue but is not yet effective. IFRS 16 removes the distinction between finance and operating leases, bringing the majority of leases onto the balance sheet for the first time. This standard is endorsed by the EU and is effective for us for the year ending 31 March 2020. As a lessee, we will be required to recognise both a right-of-use asset and a lease liability on our balance sheet, increasing both assets and financial liabilities.

The impact of the new standard is not expected to have a material impact on the Company's financial position or results.

We intend to apply the modified retrospective approach which allows any initial difference between assets and liabilities recognised as an adjustment to opening retained earnings in FY20. Under this approach no restatement of comparative information is necessary, however new disclosures and modifications to existing disclosures will be required.

There are no other new standards, amendments to existing standards or interpretations that are not yet effective that would be expected to have a material impact on the Company.

F. 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.

The most significant of these estimates and assumptions for the Company that has a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year is in respect of the carrying value of investments in subsidiary undertakings.

(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.

The most significant of these judgments for the Company is in respect of contingencies where, in the case of pending and threatened litigation claims, management has formed a judgment as to the likelihood of ultimate liability. No liability has been recognised where the likelihood of any loss arising is possible rather than probable.

G. Other operating income and expenses

Other operating income and expenses principally comprise charges to and from other Group undertakings in respect of Group management services provided during the year. Other operating expenses include a fee of US$0.1m (2018: US$0.1m) payable to the Company's auditor and its associates for the audit of the Company financial statements.

Notes to the Company financial statements continued

H. Staff costs

	2019 US$m	2018 US$m
Directors' fees	2.4	2.3
Wages and salaries	1.1	1.3
Social security costs	0.1	0.1
Other pension costs	0.2	0.1
	3.8	3.8

Executive directors of the Company are employed by other Group undertakings and details of their remuneration, together with that of the non-executive directors, are given in the audited part of the Report on directors' remuneration. The Company had two employees throughout both years.

I. Interest receivable and similar income

	2019 US$m	2018 US$m
Interest income	83.3	5.6
Foreign exchange gains	3.5	0.4
	86.8	6.0

J. Tax on profit/(loss)

(a) Analysis of tax charge/(credit) in the profit and loss account

	2019 US$m	2018 US$m
Current tax:		
Irish corporation tax charge on profit/(loss) for the financial year	—	—
Deferred tax:		
Origination and reversal of timing differences	13.7	(66.5)
Adjustment in respect of prior years	(0.1)	—
Total deferred tax charge/(credit) for the financial year	13.6	(66.5)
Tax charge/(credit) for the year	13.6	(66.5)

(b) Factors affecting the tax credit for the financial year

The tax charge/(credit) for the year is at a rate lower than the main rate of Irish corporation tax of 25% (2018: 25%) with the difference explained below.

	2019 US$m	2018 US$m
Profit/(loss) before tax	5,280.3	(9.0)
Profit/(loss) before tax multiplied by the applicable rate of tax	1,320.1	(2.3)
Effects of:		
Income not taxable	(1,307.0)	(0.9)
Expenses not deductible	0.6	0.9
Group relief surrendered	—	1.1
Adjustment in respect of tax losses recognised	—	(65.3)
Adjustment in respect of prior years	(0.1)	—
Tax charge/(credit) for the year	13.6	(66.5)

The Company's tax charge/(credit) will continue to be influenced by the nature of its income and expenditure and prevailing Irish and Jersey tax law.

(c) Deferred tax asset

The deferred tax asset is in respect of tax losses and the movements thereon are as follows:

	2019 US$m	2018 US$m
At 1 April	66.5	—
(Charge)/credit to profit and loss account in year	(13.6)	66.5
At 31 March	52.9	66.5

The Company has no unrecognised deferred tax (2018: US$nil).

K. Dividends

Total dividends of US$410.4m (2018: US$387.5m) were paid to Experian shareholders during the year. The Company paid interim dividends of US$19.4m (2018: US$16.9m) to those shareholders who did not elect to receive dividends under the Income Access Share arrangements. The balance of US$391.0m (2018: US$370.6m) was paid by a subsidiary undertaking, Experian (UK) Finance Limited (EUKFL), under the Income Access Share arrangements. The Company's profit and loss account reserve is available for distribution by way of dividend. At 31 March 2019, the distributable reserves of EUKFL as determined under UK company law are US$7,536.3m (2018: US$3,485.5m).

Since the balance sheet date, the directors have announced a second interim dividend of 32.5 US cents per ordinary share for the year ended 31 March 2019. No part of this dividend is included as a liability in these financial statements. Further details of payment arrangements, including the Income Access Share arrangements, are given in the Shareholder and corporate information section of the Annual Report.

L. Investments – shares in Group undertakings

Cost and net book amount	2019 US$m	2018 US$m
At 1 April	**8,357.7**	5,713.2
Additions – fair value of share incentives issued to Group employees	**86.7**	75.8
Additional investment in direct subsidiary undertakings	**480.1**	2,568.7
Liquidation of subsidiary investments through dividend distribution	**(3,623.2)**	—
At 31 March	**5,301.3**	8,357.7

During the year ended 31 March 2019 Experian plc undertook a number of transactions as a result of group restructuring, including:

- subscription for additional shares in existing subsidiary undertakings for US$480.1m; and
- receipt of liquidation dividends of US$8,845.2m. The amount received in excess of the investment in the subsidiary undertaking of US$5,222.0m has been recorded as a dividend in the Company's profit and loss account.

During the year ended 31 March 2018 Experian plc undertook two transactions as a result of group restructuring which included subscription for an additional US$2,568.7m of shares in existing subsidiary undertakings.

A list of the Company's subsidiary undertakings is given in note R(i). The Company directly holds interests in the whole of the issued share capital of the following undertakings.

Company	Principal activity	Country of incorporation
Experian Holdings (UK) Limited	Holding company	England and Wales
Experian Finance Holdings Limited	In liquidation	Ireland
Experian Group Services Limited	Finance company and administrative services	Ireland
Experian Holdings Ireland Limited	Holding company	Ireland
Experian Ireland Investments Limited	Holding company	Ireland
Experian US Finance Unlimited Company	In liquidation	Ireland
Newenham Finance Unlimited Company	In liquidation	Ireland

M. Debtors – amounts falling due within one year

	2019 US$m	2018 US$m
Amounts owed by Group undertakings	**15,073.3**	15,733.6
Other debtors	**0.2**	0.1
	15,073.5	15,733.7

Amounts owed by Group undertakings are primarily unsecured, interest free and repayable on demand.

N. Creditors – amounts falling due within one year

	2019 US$m	2018 US$m
Amounts owed to Group undertakings	**1,368.1**	10,214.0
Accruals and deferred income	**1.1**	2.2
	1,369.2	10,216.2

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

Notes to the Company financial statements continued

O. Called-up share capital and share premium account

Allotted and fully paid	2019 US$m	2018 US$m
971,477,557 (2018: 980,136,306) ordinary shares of 10 US cents	**73.1**	74.0
20 (2018: 20) deferred shares of 10 US cents	**—**	—
	73.1	74.0

At 31 March 2019 and 31 March 2018, the authorised share capital was US$200m, divided into 1,999,999,980 ordinary shares and 20 deferred shares, each of 10 US cents. The ordinary shares carry the rights to (i) dividend, (ii) to attend or vote at general meetings and (iii) to participate in the assets of the Company beyond repayment of the amounts paid up or credited as paid up on them. The deferred shares carry no such rights.

During the year ended 31 March 2019, the Company issued 869,691 (2018: 1,174,220) ordinary shares for a consideration of US$13.3m (2018: US$15.8m). Issues of shares were made in connection with the Group's share incentive arrangements, details of which are given in note 33 to the Group financial statements. The difference between the consideration and the par value of the shares issued is recorded in the share premium account.

During the year ended 31 March 2019, 9,528,440 (2018: 26,614,287) ordinary shares were cancelled after being purchased by the Company.

P. Profit and loss account reserve

The profit and loss account reserve is stated after deducting the balance on the own shares reserve from that on the 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. The balance on the own shares reserve is the cost of ordinary shares in the Company and further details are given below.

	Number of shares held			Cost of shares held		
	Treasury million	Trusts million	Total million	Treasury US$m	Trusts US$m	Total US$m
At 1 April 2018	**62.0**	**12.1**	**74.1**	**991.4**	**204.5**	**1,195.9**
Exercise of share awards and options	**(0.5)**	**(3.5)**	**(4.0)**	**(6.8)**	**(52.6)**	**(59.4)**
At 31 March 2019	**61.5**	**8.6**	**70.1**	**984.6**	**151.9**	**1,136.5**

	Number of shares held			Cost of shares held		
	Treasury million	Trusts million	Total million	Treasury US$m	Trusts US$m	Total US$m
At 1 April 2017	62.4	13.0	75.4	996.7	204.2	1,200.9
Purchase of shares by employee trusts	—	1.8	1.8	—	37.1	37.1
Exercise of share awards and options	(0.4)	(2.7)	(3.1)	(5.3)	(36.8)	(42.1)
At 31 March 2018	62.0	12.1	74.1	991.4	204.5	1,195.9

Q. Contingencies

The Company has guaranteed:

- borrowings of Group undertakings of US$3,394m (2018: US$3,528m);
- the liabilities of The Experian plc Employee Share Trust and the Experian UK Approved All-Employee Share Plan; and
- the retirement benefit obligations of Group undertakings that participate in the Experian Pension Scheme and of a Group undertaking that participates in a small UK defined benefit pension plan. An indication of the Company's contingent liability for the year ending 31 March 2020, in the event that the Group undertakings fail to pay their contributions, is given in note 35(e) to the Group financial statements.

The Company has also issued a small number of other guarantees in connection with the performance of business contracts by Group undertakings.

R. Related undertakings at 31 March 2019

(i) Subsidiary undertakings

Company	Country of incorporation
Experian Strategic Solutions SA	Argentina
Experian Asia Pacific Pty Ltd	Australia
Experian Australia Credit Services Pty Ltd	Australia
Experian Australia Fraud Services Pty Ltd	Australia
Experian Australia Holdings Pty Ltd	Australia
Experian Australia Pty Ltd	Australia
Riverleen Finance Pty Ltd	Australia
Tallyman Australia Pty Limited	Australia
Experian Österreich GmbH	Austria
Experian Tecnologia Brasil Ltda	Brazil[1]
Serasa S.A.	Brazil[2]
Experian Bulgaria EAD	Bulgaria
Experian Canada Inc.	Canada
Experian Services Chile S.A.	Chile
Beijing Yiboruizhi Technology Co., Ltd	China[3]
Experian Credit Service (Beijing) Company Limited	China[4]
Experian Information Technology (Beijing) Company Limited	China[5]
Byington Colombia S.A.S.	Colombia
Experian Colombia S.A.	Colombia
Experian Services Costa Rica, S.A.	Costa Rica
Experian A/S	Denmark
Accolade Unlimited	England and Wales
Cardinal Finance Unlimited (in liquidation)	England and Wales
CCN UK 2005 Limited	England and Wales
CCN UK Unlimited	England and Wales
Chatsworth Investments Limited	England and Wales
CSID International Limited	England and Wales
EHI 2005 Limited	England and Wales
EHI UK Unlimited	England and Wales
EIS 2005 Limited	England and Wales
EIS UK Unlimited	England and Wales
Experian (UK) Finance Limited	England and Wales
Experian (UK) Holdings 2006 Limited	England and Wales
Experian 2001 Unlimited	England and Wales
Experian 2006 Unlimited	England and Wales
Experian CIS Limited	England and Wales
Experian Colombia Investments Limited	England and Wales
Experian Europe Unlimited	England and Wales
Experian Finance 2012 Limited	England and Wales
Experian Finance plc	England and Wales
Experian Group Limited	England and Wales
Experian Holdings (UK) Limited	England and Wales
Experian Holdings Limited	England and Wales
Experian International Unlimited	England and Wales
Experian Investment Holdings Limited	England and Wales
Experian Latam Holdings Unlimited	England and Wales
Experian Limited	England and Wales
Experian NA Holdings Unlimited	England and Wales
Experian NA Unlimited	England and Wales
Experian Nominees Limited	England and Wales

Company	Country of incorporation
Experian SURBS Investments Limited	England and Wales
Experian Technology Limited	England and Wales
Experian US Holdings Unlimited	England and Wales
Experian US Unlimited	England and Wales
G.G.C. Leasing Limited	England and Wales
G.U.S. Property Management Limited	England and Wales
General Guarantee Corporation Unlimited	England and Wales
General Guarantee Finance Limited	England and Wales
GUS 1998 Unlimited	England and Wales
GUS 2000 Finance Unlimited	England and Wales
GUS 2000 UK Unlimited	England and Wales
GUS 2000 Unlimited	England and Wales
GUS 2002 Unlimited	England and Wales
GUS 2004 Limited	England and Wales
GUS 2005 Finance Unlimited	England and Wales
GUS Catalogues Unlimited	England and Wales
GUS Finance (2004) Limited	England and Wales
GUS Finance 2006 Unlimited	England and Wales
GUS Finance Holdings Unlimited	England and Wales
GUS Finance Luxembourg Limited	England and Wales
GUS Financial Services Unlimited	England and Wales
GUS Holdings (2004) Limited	England and Wales
GUS Holdings Unlimited	England and Wales
GUS International	England and Wales
GUS International Holdings SE	England and Wales
GUS Ireland Holdings SE	England and Wales
GUS NA Unlimited	England and Wales
GUS Netherlands Unlimited	England and Wales
GUS Overseas Holdings SE	England and Wales
GUS Overseas Investments SE	England and Wales
GUS Overseas Retailing Unlimited	England and Wales
GUS Overseas Unlimited	England and Wales
GUS Property Investments Limited	England and Wales
GUS Unlimited	England and Wales
GUS US Holdings SE	England and Wales
GUS US Holdings Unlimited	England and Wales
GUS US Unlimited	England and Wales
GUS Ventures Unlimited	England and Wales
HD Decisions Limited	England and Wales
Hugh Wyllie, Limited	England and Wales
International Communication & Data Limited	England and Wales
Masterlist Limited	England and Wales
Motorfile Limited	England and Wales
QAS Limited	England and Wales
Riverleen Finance Unlimited	England and Wales
Runpath Group Limited	England and Wales
Runpath Marketing Limited	England and Wales
Runpath Pilot Limited	England and Wales
Runpath Regulated Services Limited	England and Wales
Runpath Support Limited	England and Wales
Serasa Finance Limited	England and Wales

Notes to the Company financial statements continued

R. Related undertakings at 31 March 2019 continued

(i) Subsidiary undertakings continued

Company	Country of incorporation
Tallyman Limited	England and Wales
Techlightenment Ltd	England and Wales
The 41st Parameter, Ltd.	England and Wales
The Royal Exchange Company (Leeds) Unlimited	England and Wales
The Witney Mattress, Divan & Quilt Co. Unlimited	England and Wales
X88 Software Limited	England and Wales
Experian France S.A.S.	France
Experian Holding EURL	France
Experian Holding France SAS	France
Experian PH Sarl	France
CONET Corporate Communication Network GmbH	Germany
Experian GmbH	Germany
Experian Hong Kong Holdings Limited	Hong Kong
Experian Hong Kong Limited	Hong Kong
Experian Credit Information Company of India Private Limited	India[6]
Experian Services India (Private Limited)	India[6]
W2 Software (India) Private Limited	India[7]
PT. Experian Decision Analytics Indonesia	Indonesia
Experian Finance Holdings Unlimited Company (in liquidation)	Ireland
Experian Group Services Limited	Ireland
Experian Holdings Ireland Limited	Ireland
Experian Ireland Investments Limited	Ireland
Experian Ireland Limited	Ireland
Experian US Finance Unlimited Company (in liquidation)	Ireland
GUS Finance Ireland Unlimited Company	Ireland
GUS Investments 2003 Unlimited Company	Ireland
Newenham Finance Unlimited Company (in liquidation)	Ireland
Experian Holding Italia S.r.l.	Italy
Experian Italia S.p.A.	Italy
Experian Japan Co., Ltd	Japan
Experian (Malaysia) Sdn. Bhd.	Malaysia
Experian Marketing Services (Malaysia) Sdn Bhd	Malaysia
ESI Servicios S. de R.L. de C.V.	Mexico
Experian de Mexico S. de R.L. de C.V.	Mexico
Experian Soluciones de Informacion, S.A. de C.V.	Mexico
Experian Micro Analytics SAM	Monaco
Scorex SAM	Monaco
Experian New Zealand Limited	New Zealand
Experian AS	Norway
Experian Gjeldsregister AS	Norway
Experian Perú S.A.C	Peru
Experian Polska spółka z ograniczoną odpowiedzialnością	Poland
DP Credit Bureau Pte Ltd*	Singapore
DP Information Network Pte Ltd**	Singapore
DP Management Pte Ltd	Singapore
Experian Asia-Pacific Holdings Pte. Ltd.	Singapore
Experian Singapore Pte. Ltd	Singapore
Experian South Africa (Pty) Limited	South Africa
Great Universal Stores (South Africa) (Pty) Ltd	South Africa
Experian Bureau de Crédito, S.A.	Spain[8]
Experian Colombian Investments, S.L.	Spain[8]
Experian Holdings España, S.L.	Spain[8]
Experian Holdings Espana S.A.	Spain[8]
Experian Latam España Inversiones, S.L	Spain[9]
Rexburg Spain, S.L.	Spain[8]
Experian (Thailand) Co., Ltd	Thailand
Experian Micro Analytics B.V.	The Netherlands
Experian Nederland BV	The Netherlands
Experian Scorex Russia B.V.	The Netherlands
GUS Europe Holdings BV	The Netherlands
GUS Holdings BV	The Netherlands
GUS Treasury Services BV	The Netherlands
Experian Bilgi Hizmetleri Limited Şirketi	Turkey
ClarityBlue Inc	USA[10]
Clarity Services, Inc.	USA[11]
ConsumerInfo.com Inc	USA[13]
CSIdentity Corporation	USA[11]
Experian Credit Advisors, Inc.	USA[11]
Experian Data Corp	USA[11]
Experian Fraud Prevention Solutions, Inc.	USA[11]
Experian Health, Inc.	USA[11]
Experian Holdings, Inc.	USA[11]
Experian Information Solutions Inc	USA[12]
Experian Marketing Solutions, LLC	USA[11]
Experian Reserved Response, Inc	USA[11]
Experian Services Corp.	USA[11]
MyExperian, Inc.	USA[11]
Riverleen Finance, LLC	USA[11]
StatSchedules India, LLC	USA[11]
String Automotive Solutions, Inc.	USA[11]
String Enterprises, Inc.	USA[11]
The 41st Parameter, Inc.	USA[11]

* The company changed its name to Experian Credit Bureau Singapore Pte. Ltd. with effect from 2 May 2019.

** The company changed its name to Experian Credit Services Singapore Pte. Ltd. with effect from 7 May 2019.

Numeric superscripts refer to registered office addresses given in note R(ii).

R. Related undertakings at 31 March 2019 continued

(ii) Addresses of registered offices of subsidiary undertakings

Country of incorporation	Address of registered office
Argentina	Carlos Pelligrini 587, 4th Floor, Ciudad Autonoma de Buenos Aires, Buenos Aires
Australia	Level 6, 549 St Kilda Road, Melbourne, VIC 3004
Austria	Strozzigasse 10/14, 1080 Vienna
Brazil[1]	Al. Vicente Pinzon, 51, cj. 1301, Reserva Vila Olímpia, São Paulo/SP, 04547-130
Brazil[2]	Alameda dos Quinimuras, 187, Planalto Paulista, São Paulo/SP, 04068-900
Bulgaria	Sofia 1784, "Mladost" district, 115G "Tsarigradsko Shosse" 115G, Business center MEGAPARK, FL. 10-11
Canada	199 Bay Street, Suite 4000, Toronto, Ontario M5L 1A9
Chile	Av. del Valle 515, Huechuraba, Santiago
China[3]	Room 604 6F, One Indigo, 20 Jiuxianqiao Road, Chaoyang District, Beijing, 100015
China[4]	Room 601-603 6F, One Indigo, 20 Jiuxianqiao Road, Chaoyang District, Beijing, 100015
China[5]	Room 607-608 6F, One Indigo, 20 Jiuxianqiao Road, Chaoyang District, Beijing, 100015
Colombia	Carrera 7, No. 76 -35 Floor 10, Bogota
Costa Rica	San José, de la Estación de Ferrocarril al Pacífico, Zona Franca Ultrapark II Building Three, 3rd Floor Lagunilla, Heredia, Costa Rica
Denmark	Lyngbyvej 2, DK-2100, Copenhagen
England and Wales	The Sir John Peace Building, Experian Way, NG2 Business Park, Nottingham, NG80 1ZZ
France	1 Avenue du Général de Gaulle, 92800 PUTEAUX Immeuble PB5, France
Germany	Speditionstraße 21, 40221, Düsseldorf
Hong Kong	Room 2604, 26th Floor, The World Trade Center, 280 Gloucester Road, Causeway Bay, Hong Kong
India[6]	5th Floor, East Wing, Tower 3, Equinox Business Park, LBS Marg, Kurla (West), Mumbai, 400070
India[7]	1st Floor, Plot No. 6, Janakpuri Colony, Gunrock, Hyderabad, Telangana 500009
Indonesia	Gedung DBS Bank Tower Lantai 28, Ciputra World 1, Jl. Prof. Dr. Satrio Kav 3-5, Karet Kuningan, Setiabudi, Jakarta Selatan
Ireland	Newenham House, Northern Cross, Malahide Road, Dublin 17, D17 AY61
Italy	Piazza dell'Indipendenza No 11/B, 00185, Rome
Japan	1-1 Otemachi 1-chome, Chioyda-ku Tokyo
Malaysia	10th Floor Menara Hap Seng, No. 1 & 3 Jalan P. Ramlee, 50250 Kuala Lumpur, Wilayah Persekutuan
Mexico	Paseo de la Reforma No. 115, Desp. 1503, Col. Lomas de Chapultepec, México, D.F., C.P. 11000
Monaco	Athos Palace 2, rue de la Lujerneta, MC 98000, Monaco
The Netherlands	Grote Marktstraat 49, 2511BH's-Gravenhage, Den Haag
New Zealand	Level 8, DLA Piper Tower, 205 Queen Street, Auckland, 1010
Norway	Karenslyst Allé 6, 0278 Oslo
Peru	Av. Canaval y Moreyra Nº 480, Piso 19, San Isidro, Lima
Poland	Plac Marsz. Józefa Piłsudskiego 3, 00-078 Warsaw
Singapore	10 Kallang Avenue, #14-18 Aperia Tower 2, Singapore, 339510
South Africa	Experian House, Ballyoak Office Park, 35 Ballyclare Drive, Bryanston Ext 7, 2191
Spain[8]	C/Principe de Vergara 132, 1a Planta, 28002, Madrid
Spain[9]	Principe de Vergara 131 1°, Madrid
Thailand	No. 399 Interchange 21, 32nd Floor, Room no. 3241-3243, Sukhumvit Road, North Klongtoey Sub-district, Wattana District, Bangkok
Turkey	River Plaza Büyükdere Cad.Bahar Sok.No:13 K:8 Levent 34394 İstanbul
USA[10]	475 Anton Boulevard, Costa Mesa, CA 92626
USA[11]	The Corporation Trust Company, 1209 Orange Street, Wilmington DE 19801
USA[12]	c/o CT Corporation System, 4400 Easton Commons Way, Suite 125, Columbus OH 43219
USA[13]	c/o CT Corporation System, 818 West 7th Street, Los Angeles, CA 90017

Numeric superscripts refer to subsidiary undertakings given in note R(i)

Notes to the Company financial statements continued

R. Related undertakings at 31 March 2019 continued

(iii) Additional information on subsidiary undertakings

Summary

The results of the undertakings listed at note R(i) are included in the Group financial statements. Except as indicated below, the Company has direct or indirect interests in the whole of the issued equity shares of these undertakings. Those undertakings which, in the opinion of the directors, comprise significant subsidiary undertakings at 31 March 2019 and for the year then ended are listed in note 45(a) to the Group financial statements. Undertakings which are direct subsidiaries of the Company are detailed in note L to these financial statements.

Since demerger from GUS plc in 2006, the Company has eliminated dormant and inactive companies through an ongoing internal programme.

Holdings comprising less than 100%

Interests of less than 100% of the issued equity of subsidiary undertakings are:
Experian Australia Credit Services Pty Ltd – 83.6%
Experian Bureau de Crédito, S.A. – 75.0%
Experian Colombia S.A. – 99.9%
Experian Credit Information Company of India Private Limited – 66.7%
Experian Italia S.p.A. – 95.0%
Experian Micro Analytics B.V. – 55.0%
Experian Micro Analytics SAM – 55.0%
Experian South Africa (Pty) Limited – 85.0%
Serasa S.A. – 99.7%

Holdings comprising other than ordinary shares, common stock or common shares

The Company's equity interests comprise direct or indirect holdings of ordinary shares, common stock or common shares only, except as listed below:
GUS 2004 Limited, Motorfile Limited and Experian Soluciones de Informacion, S.A. de C.V. – A ordinary and B ordinary shares
GUS International and GUS Investments 2003 Unlimited Company – B ordinary shares
GUS 2000 Unlimited – X ordinary and Y ordinary shares
Experian Holdings, Inc. – class A and B common stock
Experian Information Solutions Inc – common no par value shares
Experian Services Corp. – common no par value shares
Opt-Out Services, LLC – membership interests shares
Riverleen Finance, LLC – common stock shares

R. Related undertakings at 31 March 2019 continued

(iv) Associate undertakings

Company	Holding	Country of incorporation
Vector CM Holdings (Cayman), L.P.	24.47%	Cayman Islands
London & Country Mortgages Limited	25.0%	England and Wales
RAM Credit Information Sdn Bhd	31.9%	Malaysia
United Credit Bureau	25.0%	Russia
Who Owns Whom (Pty) Limited	39.0%	South Africa
MCI-Experian Co, Ltd	49.0%	South Korea
Finicity Corporation	18.6%	USA
Online Data Exchange LLC	25.0%	USA
Opt-Out Services, LLC	25.0%	USA
Central Source LLC	33.3%	USA
New Management Services, LLC	33.3%	USA
VantageScore Solutions, LLC	33.3%	USA

(v) Other undertakings

Undertaking	Country of incorporation or operation
Serasa Experian Pension Plan	Brazil
Brigstock Finance Limited	England and Wales
Experian Medical Plan Limited	England and Wales
Experian Pension Scheme	England and Wales
Experian Retirement Savings Plan	England and Wales
Experian Retirement Savings Trustees Limited	England and Wales
Experian Trustees Limited	England and Wales
Experian UK Approved All-Employee Share Plan	England and Wales
The Pension and Life Assurance Plan of Sanderson Systems Limited	England and Wales
The Experian Ireland Pension Plan	Ireland
The Experian plc Employee Share Trust	Jersey
Experian Personal Investment Plan	USA

These undertakings are not subsidiaries or associates. Brigstock Finance Limited is a finance company. The other undertakings operate in connection with the Group's share incentive plans, pension arrangements in the UK and the USA, and the provision of medical cover in the UK.

Shareholder and corporate information

Analysis of share register at 31 March 2019

By size of shareholding

	Number of shareholders	%	Number of shares	%
Over 1,000,000	134	0.6	799,722,417	82.3
100,001 to 1,000,000	351	1.6	123,264,826	12.8
10,001 to 100,000	789	3.5	26,451,532	2.7
5,001 to 10,000	624	2.8	4,272,234	0.4
2,001 to 5,000	2,241	10.0	6,780,965	0.7
1 to 2,000	18,227	81.5	10,985,583	1.1
Total	**22,366**	**100.0**	**971,477,557**	**100.0**

By nature of shareholding

	Number of shareholders	%	Number of shares	%
Corporates	3,260	14.6	886,948,773	91.3
Individuals	19,105	85.4	23,070,394	2.4
Treasury shares	1	—	61,458,390	6.3
Total	**22,366**	**100.0**	**971,477,557**	**100.0**

Company website

A full range of investor information is available at www.experianplc.com. Details of the 2019 AGM, to be held at The Merrion Hotel, Upper Merrion Street, Dublin 2, D02 KF79, Ireland at 9.30am on Wednesday 24 July 2019, are given on the website and in the notice of meeting. Information on the Company's share price is available on the website.

Electronic shareholder communication

Shareholders may register for Share Portal, an electronic communication service provided by Link Market Services (Jersey) Limited, via the Company website at www.experianplc.com/shares. The service is free and it facilitates the use of a comprehensive range of shareholder services online.

When registering for Share Portal, shareholders can select their preferred communication method - email or post. Shareholders will receive a written notification of the availability on the Company's website of shareholder documents, such as the Annual Report, unless they have elected to either (i) receive such notification by email or (ii) receive paper copies of shareholder documents, where such documents are available in that format.

Dividend information

Dividends for the year ended 31 March 2019

A second interim dividend in respect of the year ended 31 March 2019 of 32.5 US cents per ordinary share will be paid on 26 July 2019, to shareholders on the register of members at the close of business on 28 June 2019. Unless shareholders elect by 28 June 2019 to receive US dollars, their dividends will be paid in pounds sterling at a rate per share calculated on the basis of the exchange rate from US dollars to pounds sterling on 5 July 2019. A first interim dividend of 14.00 US cents per ordinary share was paid on 1 February 2019.

Income Access Share arrangements

As its ordinary shares are listed on the London Stock Exchange, the Company has a large number of UK resident shareholders. In order that shareholders may receive Experian dividends from a UK source, should they wish, the Income Access Share (IAS) arrangements have been put in place. The purpose of the IAS arrangements is to preserve the tax treatment of dividends paid to Experian shareholders in the UK, in respect of dividends paid by the Company. Shareholders who elect, or are deemed to elect, to receive their dividends via the IAS arrangements will receive their dividends from a UK source (rather than directly from the Company) for UK tax purposes.

Shareholders who hold 50,000 or fewer Experian plc shares on the first dividend record date after they become shareholders, unless they elect otherwise, will be deemed to have elected to receive their dividends under the IAS arrangements.

Shareholders who hold more than 50,000 shares and who wish to receive their dividends from a UK source must make an election to receive dividends via the IAS arrangements. All elections remain in force indefinitely unless revoked.

Unless shareholders have made an election to receive dividends via the IAS arrangements, or are deemed to have made such an election, dividends will be received from an Irish source and will be taxed accordingly.

Dividend Reinvestment Plan (DRIP)

The DRIP enables those shareholders who receive their dividends under the Income Access Share arrangements to use their cash dividends to buy more shares in the Company. Eligible shareholders, who wish to participate in the DRIP in respect of the second interim dividend for the year ended 31 March 2019, to be paid on 26 July 2019, should return a completed and signed DRIP application form, to be received by the registrars no later than 28 June 2019. Shareholders should contact the registrars for further details.

Capital Gains Tax (CGT) base cost for UK shareholders

On 10 October 2006, GUS plc separated its Experian business from its Home Retail Group business by way of demerger. GUS plc shareholders were entitled to receive one share in Experian plc and one share in Home Retail Group plc for every share they held in GUS plc.

The base cost of any GUS plc shares held at demerger is apportioned for UK CGT purposes in the ratio 58.235% to Experian plc shares and 41.765% to Home Retail Group plc shares. This is based on the closing prices of the respective shares on their first day of trading after their admission to the Official List of the London Stock Exchange on 11 October 2006.

For GUS plc shares acquired prior to the demerger of Burberry on 13 December 2005, which are affected by both the Burberry demerger and the subsequent separation of Experian and Home Retail Group, the original CGT base cost is apportioned 50.604% to Experian plc shares, 36.293% to Home Retail Group plc shares and 13.103% to Burberry Group plc shares.

Shareholder security

Shareholders are advised to be wary of any unsolicited advice, offers to buy shares at a discount or offers of free reports about the Company. More detailed information on such matters can be found at www.moneyadviceservice.org.uk. Details of any share dealing facilities that the Company endorses will be included on the Company's website or in Company mailings.

The Unclaimed Assets Register

Experian owns and participates in The Unclaimed Assets Register, which provides a search facility for shareholdings and other financial assets that may have been forgotten. For further information, please contact The Unclaimed Assets Register, PO Box 9501, Nottingham, NG80 1WD, United Kingdom (T +44 (0) 844 481 8180, E uarenquiries@uk.experian.com) or visit www.uar.co.uk.

American Depositary Receipts (ADR)

Experian has a sponsored Level 1 ADR programme, for which Bank of New York Mellon acts as Depositary. This programme trades on the highest tier of the USA over-the-counter market, OTCQX, under the symbol EXPGY. Each ADR represents one Experian plc ordinary share. Further information can be obtained by contacting:

BNY Mellon Shareowner Services
PO Box 505000
Louisville, KY 40233-5000
USA

T +1 201 680 6825 (from the USA 1-888-BNY-ADRS)

E shrrelations@cpushareownerservices.com

W www.mybnymdr.com

Financial calendar

Second interim dividend record date	28 June 2019
Trading update, first quarter	16 July 2019
AGM	24 July 2019
Second interim dividend payment date	26 July 2019
Half-yearly financial report	12 November 2019
Trading update, third quarter	16 January 2020
Preliminary announcement of full-year results	May 2020

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Calls are charged at the standard geographic rate and will vary by provider. Calls from outside the United Kingdom will be charged at the applicable international rate. Lines are open from 8.30am to 5.30pm (UK time) Monday to Friday excluding public holidays in England and Wales.

Stock exchange listing information

Exchange: London Stock Exchange, Premium Main Market

Index: FTSE 100

Symbol: EXPN

Glossary

The following abbreviations are used in this Annual Report, and are taken to have the following meanings:

Abbreviation	Meaning
AGM	Annual General Meeting
AI	Artificial intelligence
B2B	Business-to-Business
B2B2C	Business-to-Business-to-Consumer
B2C	Business-to-Consumer
Benchmark EBIT	Benchmark earnings before interest and tax. See note 7 to the Group financial statements
Benchmark EBITDA	Benchmark earnings before interest, tax, depreciation and amortisation. See note 7 to the Group financial statements
Benchmark EPS	Benchmark earnings per share. See note 7 to the Group financial statements
Benchmark operating cash flow	See note 7 to the Group financial statements
Benchmark PBT	Benchmark profit before tax. See note 7 to the Group financial statements
CCM	Experian's email/cross-channel marketing business (a discontinued operation)
CIP	Co-investment Plans
Clarity	Clarity Services, Inc., a business acquired by Experian in FY18
Code	The UK Corporate Governance Code
CSID	The CSID group of companies comprising CSIdentity Corporation and CSID International Limited
EMEA	Europe, Middle East and Africa
EPS	Earnings per share
ERMC	Executive Risk Management Committee
FBU	Fair, balanced and understandable
FCA	The UK Financial Conduct Authority
FRS	Financial Reporting Standard
FTE	Full-time equivalent
FVOCI	Fair value through Other comprehensive income
FVPL	Fair value through profit or loss
FY17	Year ended 31 March 2017
FY18	Year ended 31 March 2018
FY19	Year ended 31 March 2019
FY20	Year ending 31 March 2020
FX	Foreign exchange rate(s)
GAAP	Generally Accepted Accounting Practice
GDP	Gross Domestic Product
GDPR	General Data Protection Regulation
H1	The first half of Experian's financial year, being the 6 months ending 30 September
H2	The second half of Experian's financial year, being the 6 months ending 31 March
HMRC	The UK's 'Her Majesty's Revenue and Customs'
IAS	International Accounting Standard
IAS arrangement	Income Access Share arrangement for the payment of dividends from a UK source
IASB	International Accounting Standards Board
IFRIC	International Financial Reporting Standards Interpretations Committee
IFRS or IFRSs	International Financial Reporting Standards
IRS	The US Internal Revenue Service
KPI	Key performance indicator
NED	Non-executive director
OCI	Other comprehensive income
OpCo	Group Operating Committee
PSP	Performance Share Plan
Q1	The first quarter of Experian's financial year, being the 3 months ending 30 June
Q2	The second quarter of Experian's financial year, being the 3 months ending 30 September
Q3	The third quarter of Experian's financial year, being the 3 months ending 31 December
Q4	The fourth quarter of Experian's financial year, being the 3 months ending 31 March
Roce	Return on capital employed
SaaS	Software-as-a-Service
The Company	Experian plc
The Policy	Directors' remuneration policy
TSR	Total shareholder return
WACC	The Group's pre-tax weighted average cost of capital

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Printed by CPI Colour using vegetable oil based inks, CPI is a CarbonNeutral® printer, certified to ISO 14001 Environmental Management System and registered to EMAS, the Eco Management and Audit Scheme.

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www.experianplc.com/annualreport

Corporate Responsibility Report 2019
www.experianplc.com/crreport

Experian plc website
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