QAS Limited

Annual report and financial statements

for the year ended 31 March 2014

Company registered number 02582055

QAS Limited

Annual report and financial statements

for the year ended 31 March 2014

Contents **Page**

QAS Limited

Directors and other information

Directors

W J S Floydd
J M Hulford-Funnell
M E Pepper
C J Rutter

Company secretary

R P Hanna

Independent auditors

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
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East Midlands
DE74 2UZ

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QAS Limited

Strategic report

for the year ended 31 March 2014

Activities and review of the business

The Company is a subsidiary of the Experian plc Group ('the Group'). Its principal activity had been the sale of address management and associated computer software. It ceased to trade from 28 March 2013 and did not trade in the year ended 31 March 2014.

The financial position at the year end was considered satisfactory by the directors.

Basis of preparation of financial statements

The financial statements have been prepared on a break up basis, as the directors intend that the Company be liquidated when circumstances permit.

Principal risks and uncertainties and key performance indicators

In view of the above circumstances the directors believe that it is not necessary to present analysis of the Company's performance or position using financial or other key performance indicators, nor a description of its principal risks and uncertainties.

By order of the board

M E Pepper
Director
10 July 2014

QAS Limited

Directors' report

for the year ended 31 March 2014

The Company's registered number is 02582055.

Capital movements and capital reduction

On 12 December 2013 the Company cancelled paid up capital of £0.0499995 on each of its issued shares, and reduced the par value of each issued share from £0.05 to £0.0000005, releasing approximately £249,000 from the value of called up share capital to distributable reserves. On the same date the Company also resolved to eliminate the balance of its share premium account by transferring the sum of £1,714,000 to the profit and loss account.

Results and dividends

The profit for the year was £nil (2013: £63,057,000). An interim dividend of approximately £4.39 per share, whose total cost amounted to approximately £21,901,000, was paid on 12 December 2013. In the prior year a first interim dividend of £10.026 per share, whose total cost amounted to £50,000,000, was paid on 11 September 2012, and a second interim dividend of £10.026 per share, whose total cost was £50,000,000, was paid on 11 January 2013.

Likely future developments

The directors have no plans for the Company to recommence to trade.

Financial risk management

Information on the Company's financial risk management is not material for the assessment of the Company's assets, liabilities, financial position or profit and loss, following its cessation of trading in 2013.

Directors

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

W J S Floydd	(appointed 11 July 2013)
B J Herb	(resigned 3 July 2013)
J M Hulford-Funnell	
M E Pepper	
C J Rutter	

Insurance and third party indemnification

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

Statement of directors' responsibilities

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

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

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

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

QAS Limited

Directors' report (continued)

Statement of disclosure of information to auditors

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

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

By order of the board

M E Pepper
Director

10 July 2014

Auditors' report

Independent auditors' report to the members of QAS Limited

Report on the financial statements

Our opinion

In our opinion the financial statements, defined below:

- give a true and fair view of the state of the Company's affairs as at 31 March 2014 and of its result for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

This opinion is to be read in the context of what we say in the remainder of this report.

Emphasis of matter - basis of preparation other than going concern

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosures made in note 1 to the financial statements concerning the basis of accounting, as the directors intend that the Company be liquidated. Accordingly, the going concern basis of accounting is no longer appropriate and the financial statements have been prepared on a basis other than going concern as described in note 1 to the financial statements.

No adjustments were required to these financial statements to reduce assets to their realisable values, to provide for liabilities arising from the decision and to reclassify fixed assets and long-term liabilities as current assets and liabilities.

What we have audited

The financial statements, which are prepared by QAS Limited, comprise:

- the balance sheet as at 31 March 2014;
- the profit and loss account and the statement of total recognised gains and losses for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in their preparation comprises applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

What an audit of financial statements involves

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

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

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

Opinion on other matter prescribed by the Companies Act 2006

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

Independent auditors' report to the members of QAS Limited (continued)

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

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

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Directors' remuneration

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

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

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

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

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

David Teager (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
East Midlands
11 July 2014

QAS Limited

Profit and loss account

for the year ended 31 March 2014

	Notes	**2014 £'000**	2013 £'000
Turnover	2	-	73,354
Own work capitalised		-	140
Other operating income		-	34
		-	73,528
Other external charges		-	(14,067)
Staff costs	3	-	(27,058)
Depreciation and other amounts written off tangible and intangible fixed assets	7	-	(2,065)
Other operating charges		-	(9,761)
Operating profit		-	20,577
Profit on sale of intellectual property rights	7	-	41,712
Profit on disposal of USA branch trade	16	-	806
Profit on disposal of French branch trade	16	-	649
Other interest receivable and similar income	5	-	328
Interest payable and similar charges	6	-	(13)
Profit on ordinary activities before tax	7	-	64,059
Tax on profit on ordinary activities	8	-	(1,002)
Profit on ordinary activities after tax and for the financial year	13	-	63,057

All amounts relate to discontinued operations.

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

QAS Limited

Statement of total recognised gains and losses

for the year ended 31 March 2014

	2014 **£'000**	2013 £'000
Profit for the financial year	-	63,057
Exchange differences	-	183
Total recognised gains relating to the year	-	63,240

QAS Limited

Balance sheet

at 31 March 2014

	Notes	**2014 £'000**	2013 £'000
Current assets			
Debtors	9	-	22,016
Current liabilities			
Creditors – amounts falling due within one year	10	-	(115)
Net current assets		-	21,901
Total assets less current liabilities		-	21,901
Net assets		-	21,901
Capital and reserves			
Called up share capital	11	-	249
Share premium account	12	-	1,714
Profit and loss account	12	-	19,938
Total shareholders' funds	13	-	21,901

The financial statements on pages 7 to 22 were approved by the board of directors on 10 July 2014 and signed on its behalf by:

M E Pepper
Director

1 Accounting policies

Basis of accounting

These financial statements have been prepared on a break up basis, under the historical cost convention, and in accordance with the Companies Act 2006 and applicable UK accounting standards, and have been rounded to the nearest thousand pounds, except where specifically noted otherwise. The material accounting policies relevant to these financial statements are set out below.

The previous financial statements, for the year ended 31 March 2013, were prepared on a going concern basis. However, the change in basis has had no effect on the value of previously reported net assets as the directors consider that the Company had no assets whose valuation were subject to adjustment on such a change.

In accordance with Financial Reporting Standard ('FRS') 18, the Company has conducted a review of its accounting policies and estimation techniques, which resulted in no other changes to its accounting policies or estimation techniques.

Cash flow statement and related party disclosures

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

Turnover and revenue recognition

Turnover represented the fair value of the sale of goods and services to customers, net of value added tax and other sales taxes, rebates and discounts, including turnover from the provision of software, installation, maintenance, upgrade and support of those software products.

Turnover arising from the provision of software, data files and related support was recognised on a straight-line basis over the period of the licence. Turnover arising from services such as consultancy, training and installation was recognised as those services were performed. Amounts received in advance of the delivery of products or performances of services were classified as deferred income.

Where a single arrangement comprised a number of individual elements which were capable of operating independently of one another, the total revenues were allocated amongst the individual elements based on an estimate of the fair value of each element. Where the elements were not capable of operating independently, or reasonable measures of fair value for each element were not available, total revenues were recognised on a straight-line basis over the contract period.

Leased assets

Costs in respect of operating leases were charged to the profit and loss account as incurred.

Foreign currency translation

Transactions in foreign currencies were recorded at the exchange rates in effect at the transaction date. Monetary assets and liabilities denominated in foreign currencies were retranslated at the rates ruling at the balance sheet date. All translation differences on such items were taken to the profit and loss account in the year in which they arose.

The balance sheets of overseas branches denominated in foreign currencies were translated into sterling at the rates of exchange ruling at the balance sheet date. Differences on exchange arising from the retranslation of the opening net investment in branch operations at year end exchange rates were taken to the statement of total recognised gains and losses. The results of these branches were translated at the average rate of exchange for the relevant period. Exchange differences arising from the retranslation of these results to closing exchange rates was taken directly to the statement of total recognised gains and losses.

The principal exchange rates used in these financial statements were:

	Average	Closing	
	2013	**2013**	2012
Sterling : US dollar	**1.58**	**1.52**	1.60

1 Accounting policies (continued)

Share incentive plans

Employees participated in the Experian plc share incentive plans. The fair value of share incentives granted was recognised as an expense after taking into account the Company's best estimate of the number of shares expected to vest. The Company revised the vesting estimate at each balance sheet date. Non-market performance conditions were included in the vesting estimates. Expenses were incurred over the vesting period. Fair value was measured at the date of grant using whichever of the Black-Scholes model, Monte Carlo model or closing market price was most appropriate to the award. Market-based performance conditions were included in the fair value measurement on grant date and were not revised for actual performance.

Pension costs and post retirement benefits

In 2013 the Company provided pension benefits to eligible employees through membership of three pension plans.

UK employees participated in the Experian Retirement Savings Plan, a defined contribution pension plan whose assets are held in an independently administered fund. Employees in the USA were covered by an equivalent local defined contribution arrangement known as a 401K plan. The pension cost recognised in the profit and loss account represented the employer's contributions incurred in respect of those plans.

The Company was a participating employer in, and one of its employees was a member of, a UK defined benefit pension plan, the Experian Pension Scheme, operated for the benefit of Experian plc's subsidiary companies and UK employees. The principal employer for this plan is Experian Limited. The plan has rules which specify the benefits to be paid and is financed accordingly with assets being held in separately administered funds. The cost of providing retirement benefits, which is based on pension costs across the Group as a whole, was charged to the profit and loss account over the expected period of employment in accordance with recommendations by qualified actuaries. Contributions to this plan are set at a common level for the scheme as a whole rather than reflecting characteristics of the individual employing companies. Each employer is therefore exposed to actuarial risks associated with other entities. As a result, the Company was unable to identify its share of the total underlying assets and liabilities of this plan. The Company therefore took the exemption for such cases offered by FRS 17 and charged its profit and loss account on the basis of employer's contributions payable in respect of the plan. The disclosures in relation to this plan can be found in the financial statements of Experian Limited (which are available from its registered office).

Intangible assets - goodwill

Purchased goodwill, being the difference between the fair values of consideration paid and the assets and liabilities acquired, was capitalised and amortised over its estimated useful life, up to a maximum of twenty years. Immediate provision was made for permanent diminution in value. In accordance with FRS 11, the carrying value of intangible assets was subject to ongoing impairment reviews.

Intangible assets – internally generated software

Costs directly associated with the production of identifiable and unique software products controlled by the Company, and that would generate economic benefits beyond one year, were recognised as intangible assets. Costs so recognised were amortised on a straight-line basis over three to five years.

Other research and development costs relating to minor product enhancements and developments were expensed in the year in which they were incurred.

Intangible assets – customer relationships and trade names

Contractual and non-contractual customer relationships acquired as part of a business combination were capitalised at fair value on acquisition and amortised on a straight-line basis over two years, based on management's estimates of the average lives of such relationships.

Legally protected or otherwise separable trade names acquired as part of a business combination were capitalised at fair value on acquisition and amortised on a straight-line basis over five years, based on management's expectations to retain trade names within the business.

1 Accounting policies (continued)

Tangible assets

Tangible fixed assets were recorded at cost less accumulated depreciation. Cost included the original purchase price of the asset and costs attributable to bringing it to its working condition for its intended use. Freehold land was not depreciated. Depreciation was provided at rates calculated to write off the cost, less estimated residual value, of other tangible assets on a straight-line basis over their expected useful lives, as follows:

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

Where there was an indication of impairment, fixed assets were subject to review for impairment in accordance with FRS 11. Any impairment was recognised in the year in which it was incurred.

Acquisitions

Fair values were established for the assets, liabilities and goodwill acquired on an acquisition. All assets and liabilities that existed in the acquired business at the acquisition date were brought into the accounting records at fair values reflecting their condition at that date. All changes to those assets and liabilities that arose after control passed to the acquiring company were reported as part of the post-acquisition financial performance.

Deferred tax

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

2 Turnover

All turnover related to the Company's principal activity, in the following geographic markets:

	2014 £'000	2013 £'000
UK	-	56,331
USA	-	12,777
Rest of the world	-	4,246
	-	73,354

In 2013, turnover in the USA related only to the six months ended 28 September 2012, whilst that for the Rest of the world related only to the turnover of the Company's French branch for the eleven months ended 28 February 2013.

3 Staff numbers and costs

For 2013, the staff numbers and costs below include information in respect of employees of the Company's USA branch for the six months ended 28 September 2012, and of the Company's French branch for the eleven months ended 28 February 2013.

Monthly average staff numbers (including directors)

	2014 Number	2013 Number
Administration and finance	-	39
Marketing	-	19
Development and technical support	-	165
Sales	-	153
	-	376

Staff costs

	2014 £'000	2013 £'000
Wages and salaries	-	22,467
Social security costs	-	3,572
Share incentive plans (note 15)	-	133
Other pension costs – contributions to pension plans	-	886
	-	27,058

There were no pension contributions outstanding at either year end date.

4 Directors' remuneration

The directors were remunerated by fellow subsidiary undertakings of Experian plc in respect of their services to the Group as a whole and received no remuneration from any company specifically in respect of their directorships of the Company in 2014 or 2013.

5 Other interest receivable and similar income

	2014 £'000	2013 £'000
Interest receivable from other group undertakings	-	319
Bank deposit and other interest	-	2
Foreign exchange gains on intra group financing	-	7
	-	328

QAS Limited

Notes to the financial statements (continued)

for the year ended 31 March 2014

6 Interest payable and similar charges

	2014 **£'000**	2013 £'000
Bank overdraft and similar interest	-	7
Interest payable to other group undertakings	-	6
	-	13

7 Profit on ordinary activities before tax

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

	2014 **£'000**	2013 £'000
Depreciation of tangible fixed assets	-	1,018
Amortisation of intangible fixed assets	-	1,047
Depreciation and other amounts written off tangible and intangible fixed assets	-	2,065
Fees payable to the auditor for the audit of the Company's financial statements	-	40
Operating lease rentals – plant and machinery	-	639
Operating lease rentals – other (property)	-	560
Profit on disposal of intellectual property rights	-	(41,712)
Profit on disposal of USA branch operations (note 16)	-	(806)
Profit on disposal of French branch operations (note 16)	-	(649)
Foreign exchange gains	-	(20)

The auditors received remuneration of £1,500 for the audit of the Company's financial statements for the year ended 31 March 2014 which was paid by Experian Limited, the immediate parent undertaking, and was not recharged.

Under revised arrangements within the Group, costs of major recent software development projects have been borne by Experian Technology Limited, a fellow subsidiary undertaking, which owns the rights to the intellectual property involved and licences its use by other fellow subsidiaries. QAS Limited disposed of its existing and remaining intellectual property rights to Experian Technology Limited on 1 December 2012 for a consideration of US$67 million, generating a profit on the disposal of £41,712,000.

8 Tax on profit on ordinary activities

Analysis of charge for the year

	2014 £'000	2013 £'000
Current tax		
UK corporation tax - adjustments in respect of prior years	-	118
Overseas tax	-	137
Total current tax charge	-	255
Deferred tax		
Origination and reversal of timing differences	-	691
Adjustments in respect of prior years	-	56
Total deferred tax charge	-	747
Tax on profit on ordinary activities	-	1,002

Factors affecting the total current tax charge for the year

The current tax charge for the year is at a rate equal to (2013: lower than) the main rate of UK corporation tax of 23% (2013: 24%). The differences are explained below.

	2014 £'000	2013 £'000
Profit on ordinary activities before tax	-	64,059
Profit on ordinary activities multiplied by the main rate of UK corporation tax	-	15,374
Effects of:		
Non-taxable profit on disposal of intellectual property rights	-	(10,011)
Income not taxable	(1)	(562)
Expenses not deductible for tax purposes	1	243
Group relief claimed without payment of consideration	-	(4,536)
Overseas tax	-	137
Other timing differences	-	(508)
UK corporation tax - adjustments in respect of prior years	-	118
Current tax charge for the year	-	255

8 Tax on profit on ordinary activities (continued)

The directors have considered the tax effect of UK to UK transfer pricing legislation on non interest bearing intra-group loans and are satisfied that any associated tax charge/(credit) arising will be offset by compensating adjustments from other Group companies such that no additional tax asset or liability should arise. Therefore, no entries in respect of these items have been reflected in these financial statements as the net impact on both the tax charge and net assets is £nil (2013: £nil).

Factors affecting future tax liabilities

The Company is not expected to recommence to trade. Any future tax liability it has will continue to be influenced by the nature of any income and expenditure it has, the ability of its parent group to surrender UK tax losses to it, and could be affected by changes in UK tax law and the tax laws of any other states in, or with, which it trades.

9 Debtors

	2014 £'000	2013 £'000
Amounts owed by group undertakings	-	22,016

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

10 Creditors – amounts falling due within one year

	2014 £'000	2013 £'000
Other creditors including tax and social security	-	115

11 Called up share capital

Allotted and fully paid

	Number of shares allotted	**2014 £'000**	2013 £'000
Ordinary shares of £0.0000005 (2013: £0.05) each	**4,986,874**	-	249

On 12 December 2103 the Company cancelled paid up capital of £0.0499995 on each of its issued shares, and reduced the nominal amount of each issued share from £0.05 to £0.0000005, releasing approximately £249,000 from the value of called up share capital to distributable reserves. On the same date the Company also resolved to eliminate the balance of its share premium account by transferring the sum of £1,714,000 to the profit and loss account (see note 12).

12 Share capital and reserves

	Called up Share capital £'000	**Share premium account £'000**	**Profit and loss account £'000**	**Total £'000**
At 1 April 2013	249	1,714	19,938	21,901
Reduction of capital (note 11)	(249)	(1,714)	1,963	-
Interim dividends paid (note 14)	-	-	(21,901)	(21,901)
At 31 March 2014	-	-	-	-

13 Reconciliation of movements in shareholders' funds

	2014 £'000	2013 £'000
Profit for the financial year	-	63,057
Exchange differences	-	183
Credit in respect of share incentive plans	-	133
Interim dividends paid (note 14)	**(21,901)**	(100,000)
Net decrease in shareholders' funds	**(21,901)**	(36,627)
Opening shareholders' funds	**21,901**	58,528
Closing shareholders' funds	-	21,901

14 Dividends paid

	2014 £'000	2013 £'000
Interim dividend of £10.026 per share paid 11 September 2012	-	50,000
Interim dividend of £10.026 per share paid 11 January 2013	-	50,000
Interim dividend of £4.39 per share paid 12 December 2013	**21,901**	-
	21,901	100,000

15 Share incentive plans

The information below relates to options and awards over Experian plc shares held by employees in the year ended 31 March 2013.

Options

Summary of arrangements and information relating to option valuation techniques

	Experian Share Option Plan	**Experian Sharesave Plans**
Nature	Grant of options	'Save as you earn' plans
Vesting conditions:		
- Service period	3 years	3 or 5 years
- Performance/Other	n/a	Saving obligation over the vesting period
Maximum term	10 years	3.5 or 5.5 years
Method of settlement	Share distribution	Share distribution
Expected departures (at grant date)	5%	3 years – 30%[1] 5 years – 50%[1]
Option exercise price calculation[2]	Market price over the 3 dealing days preceding the grant	20% discount to market price over 3 dealing days preceding the grant

[1] *The stated values for expected departures include an assumption about participants who will not meet the savings requirement of the plans.*

[2] *Three day averages are calculated by taking middle market quotations of an Experian plc share from the London Stock Exchange daily official list.*

Black-Scholes models are used to determine an appropriate value of the option grants and inputs into the models are calculated as follows:

Expected volatility - Calculated as an average over the expected life with an assumption made for volatility in each year of the expected life. Volatility in the first year is assumed to be the same as implied volatility on grant date. Volatility for year 4 and beyond is assumed to remain at the long run historic volatility. Linear interpolation is assumed for years 2 and 3.

Expected dividend yield - Yields are based on the current consensus analyst forecast figures at the time of grant. The inputs utilised are an average of the forecast over the next three financial years.

Risk-free rate - Rates are obtained from the UK Government Debt Management Office website which details historical prices and yields for gilt strips.

Expected option life to exercise - Options under the Experian Share Option Plan vest after 3 years and their expected life is 4 years. Options under the Experian Sharesave Plans have expected lives of either 3 or 5 years.

Share price on grant date - The closing price on the day the options were granted.

Option exercise price - Exercise price as stated in the terms of each award.

QAS Limited

Notes to the financial statements (continued)

for the year ended 31 March 2014

15 Share incentive plans (continued)

The weighted average estimated fair values and the inputs into the Black-Scholes models for the Experian Sharesave Plans for 2013 were as follows:

Share price on grant date	£8.90
Exercise price	£7.12
Expected volatility	29.6%
Expected dividend yield (per annum)	2.5%
Risk free interest rate (per annum)	0.5%
Expected option life to exercise	3.5 years
Fair value	£2.29

No options have been granted under the Experian Share Option Plan since the year ended 31 March 2010.

Reconciliation of movement in the number of options

	Number of options 2014 '000	**Weighted average exercise price 2014 £**	Number of options 2013 '000	Weighted average exercise price 2013 £
Outstanding at 1 April	-	-	209	4.54
New grants	-	-	54	7.12
Forfeitures	-	-	(15)	4.61
Exercises	-	-	(46)	3.86
Cancellations	-	-	(4)	5.96
Lapses	-	-	(1)	4.37
Transferred with employees and trades	-	-	(197)	5.37
Outstanding at 31 March	-	**n/a**	-	n/a
Exercisable at 31 March	-	**n/a**	-	n/a

The weighted average market price of Experian plc shares in respect of options exercised during 2013 was £9.79.

Analysis of share options outstanding at the end of the year

There were no share options outstanding at 31 March 2014 or 31 March 2013 as these were transferred with the employees, assets and trades during the year ended 31 March 2013.

15 Share incentive plans (continued)

Share awards

Summary of arrangements and information relating to share grant valuation techniques

	Experian Performance Share Plan
Nature	Grant of shares
Vesting conditions:	
- Service period	3 years
- Performance/Other	50% or 75% - Benchmark profit performance of Experian plc Group assessed against specified targets[1] 50% or 25% - Distribution percentage determined by ranking Total Shareholder Return ('TSR') relative to a comparator group[2]
Expected outcome of meeting performance criteria (at grant date)	Benchmark profit – 91% TSR – Range from 30% to 61%
Maximum term	3 years
Method of settlement	Share distribution
Expected departures (at grant date)	5%

[1] *The Benchmark profit performance conditions for Experian Performance Share Plan awards made in various prior years are set out below and require Experian plc Group's Benchmark profit before tax ('Benchmark PBT') growth per annum at the stated percentages over a three-year period. The period of assessment commences at the beginning of the financial year of grant. This is not a 'market-based' performance condition as defined by FRS 20. Further unconditional awards have been made since 1 April 2010 under this plan.*

Financial year end of year of award	Target	Maximum
31 March 2013	7%	14%
31 March 2012	7%	14%
31 March 2011	5%	11%

Experian plc Group's Benchmark PBT is defined as its profit before amortisation of acquisition intangibles, acquisition expenses, goodwill impairments, adjustments to contingent consideration, charges in respect of the demerger-related share incentive plans, exceptional items, financing fair value remeasurements, tax and discontinued operations. It includes the Experian plc Group's share of its continuing associates' pre-tax profits.

[2] *The Experian Performance Share Plan TSR condition is considered a 'market-based' performance condition as defined by FRS 20. In valuing the awarded shares, TSR is evaluated using a Monte Carlo simulation with historic volatilities and correlations for comparator companies measured over the 3 year period preceding valuation and an implied volatility for Experian plc.*

Share grants are valued by reference to the market price on the day of award with no modification made 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 grant date and are not revised for actual performance.

15 Share incentive plans (continued)

Movement in number of share awards outstanding - Number of awards

	2014 '000	2013 '000
At 1 April	-	133
Forfeitures	-	(8)
Vesting	-	(23)
Transferred with employees, assets and trades	-	(102)
At 31 March	-	-

Summary of the total cost of share-based compensation, included in staff costs:

	2014 £'000	2013 £'000
Share options	-	37
Share awards	-	96
Total expense recognised (all equity-settled)	-	133

16 Transfer of businesses in 2013

The Company transferred the trades and trading assets of its branches in the USA, France, and its UK operations to fellow subsidiary undertakings of Experian plc on 28 September 2012, 28 February 2013 and 28 March 2013 respectively. Those subsidiaries undertook to assume, satisfy and discharge the debts and liabilities of those business units. The book values of the assets transferred were:

	USA branch £'000	France branch £'000	UK operations £'000	Total £'000
Fixed assets (intangible and tangible)	2,665	46	4,907	7,618
Debtors	20,410	2,246	23,627	46,283
Cash at bank and in hand	169	1,131	9	1,309
Creditors (including deferred income)	(19,287)	(3,334)	(48,583)	(71,204)
Book value of net assets/(liabilities) disposed of	3,957	89	(20,040)	(15,994)
Consideration receivable/(payable)	4,763	738	(20,040)	(14,539)

Profits of £806,000 and £649,000 arose on the transfers of the USA and French branches respectively.

16 Transfer of businesses in 2013 (continued)

The contribution of each of these branches/operations to the Company's 2013 results had been:

	USA branch	France branch	UK operations	Total
	£'000	£'000	£'000	£'000
Turnover	12,777	4,246	56,331	73,354
Other profit and loss credits/cost capitalisation	-	-	174	174
Other external charges	(1,327)	(800)	(11,940)	(14,067)
Staff costs	(5,676)	(1,709)	(19,673)	(27,058)
Depreciation and amortisation	(623)	(26)	(1,492)	(2,141)
Other operating charges	(3,914)	(1,341)	(4,430)	(9,685)
Operating profit	1,237	370	18,970	20,577

The USA branch traded only for the first six months of the year ended 31 March 2013 whilst the French branch traded for the first eleven months of the same period.

17 Immediate and ultimate parent undertaking and controlling party

The immediate parent undertaking is Experian Limited, incorporated in England and Wales.

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