Here to help you create **a better tomorrow**

Experian Annual Report 2020
Year ended 31 March 2020

Our purpose is to create a better tomorrow for consumers, for businesses, for our people and for our communities.

We power opportunities by turning data into information, and by deploying advanced technologies and analytics. This helps people and businesses to take control of their financial well-being and to seize new opportunities.

Contents

Strategic report
02 Experian at a glance
04 Chairman's statement
06 Chief Executive's review
10 COVID-19 response
12 Investment case
14 Key performance indicators
16 Market trends
18 Understanding our business model
24 Our strategy
36 Our people and sustainable business
49 Non-financial information and s172(1) statement
50 North America
51 Latin America
52 UK and Ireland
53 EMEA/Asia Pacific
54 Financial review
63 Risk management
71 Viability assessment

Governance
74 Chairman's introduction
76 Board of directors
78 Corporate governance report
88 Nomination and Corporate Governance Committee report
93 Audit Committee report
100 Report on directors' remuneration
124 Directors' report

Financial statements
127 Financial statements contents
128 Independent auditor's report

Group financial statements
133 Group income statement
134 Group statement of comprehensive income
135 Group balance sheet
136 Group statement of changes in total equity
137 Group cash flow statement
138 Notes to the Group financial statements

Company financial statements
195 Company financial statements
197 Notes to the Company financial statements

209 **Shareholder and corporate information**

211 **Glossary**

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 1.27 (2019: 1.31).

A good year in context

Welcome to Experian's 2020 Annual Report. In this report you will read how we create financial and social value for people, businesses and communities, as well as long-term, sustainable value for our shareholders. We discuss our financial performance, our strategy, how we create a culture of inclusion and innovation, and how we play our part to help our clients and consumers create a better tomorrow.

The COVID-19 pandemic occurred towards the end of our financial year and while we discuss its implications and our response, our Annual Report focuses on the year ended 31 March 2020. The full implications of the COVID-19 situation are still unknown as this report is published and the financial results in it should be read in this context and alongside the changing global situation.

Our thoughts are with all those who have been affected by this crisis. Our priorities are to protect our people and the millions of consumers who are financially affected, while also using our data and analytics to help society recover. Experian has coped well having successfully activated our business continuity plans.

While the macroeconomic impacts of the pandemic are difficult to predict, Experian remains financially well positioned with a strong balance sheet and funding liquidity. As well as taking mitigating actions, we are also positioning ourselves to emerge strongly and are continuing to invest in our people as well as in our growth strategy.

For the year ended 31 March 2020 we delivered a good year of growth with 8% organic revenue growth and total revenue growth of 9%. We are executing on our strategy to deploy a wide range of innovative platforms and consumer services across the world, and we have made progress on all the key focus areas we set ourselves last year.

Financial highlights

Statutory	Growth % at actual rates	Growth % at constant rates
Revenue US$**5,179**m (2019: US$4,861m)	+7%	+9%
Operating profit US$**1,185**m (2019: US$1,162m)	+2%	+5%
Profit before tax US$**942**m (2019: US$957m)	-2%	+5%
Basic EPS USc**74.8** (2019: USc76.9)	-3%	+6%

Benchmark	Growth % at actual rates	Growth % at constant rates
Revenue[1] US$**5,179**m (2019: US$4,855m)	+7%	+9%
Benchmark EBIT[1] US$**1,387**m (2019: US$1,306m)	+6%	+9%
Benchmark profit before tax US$**1,255**m (2019: US$1,198m)	+5%	+8%
Benchmark EPS USc**103.0** (2019: USc98.0)	+5%	+8%

1 From ongoing activities.

See note 7 to the Group financial statements for definitions of non-GAAP measures, and actual and constant currency exchange rates.

Experian at a glance

A global technology company

We are a global technology company and market leader in data and analytics, playing a key role in making it easier for consumers and businesses to interact. We help people and businesses to take control of their financial well-being 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.

163m
Business credit history records

1.3bn
Consumer credit history records

45
Countries

17,800
Employees

82m
Free consumer membership base

4
DataLabs

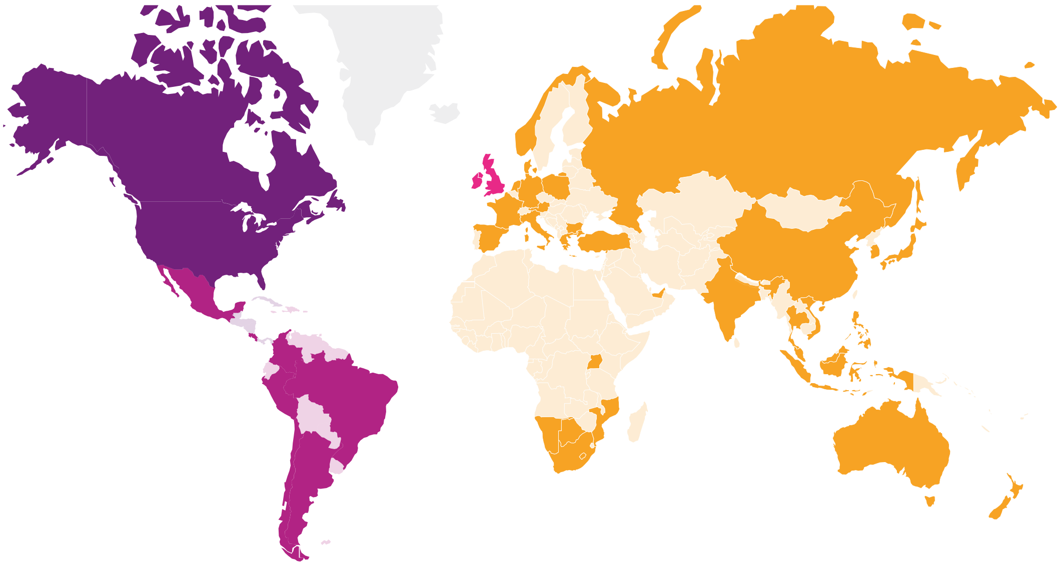
Our regions

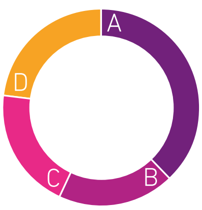
North America
p50

Latin America
p51

UK and Ireland
p52

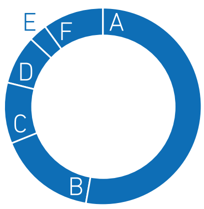
EMEA/Asia Pacific
p53





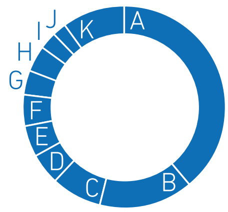
Our people by region[1]

		Number	%
A	North America	**6,800**	38
B	Latin America	**3,300**	19
C	UK and Ireland	**3,500**	20
D	EMEA/Asia Pacific	**4,200**	23
	Total	17,800	



Global cost profile

		%
A	Labour	53
B	Data	16
C	Marketing	10
D	IT	8
E	Central Activities	3
F	Other	10



Revenue by customer[2]

		%
A	Financial services	39
B	Direct-to-consumer	15
C	Health	8
D	Retail	5
E	Automotive	5
F	Software and professional services	5
G	Telecommunications and utilities	4
H	Insurance	4
I	Media and technology	3
J	Government and public sector	2
K	Other	10

1 Full-time equivalent employees as at 31 March 2020.
2 Revenue from ongoing activities.

See more on page 19

Our business activities

Business-to-Business

Data

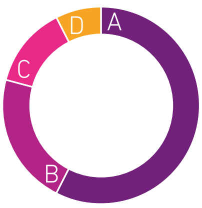
Revenue[1]

US$**2,854**m +**10**%

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

Key added value

- Large volumes of disparate data are aggregated into accurate, timely and usable information
- Unbiased information helps support impartial credit decisions and broader access to credit
- Extensive marketing data relevant to consumer lifestyles helps businesses understand their customers better and serve them with tailored products



Decisioning

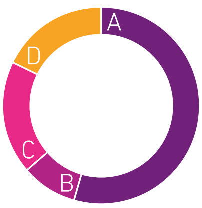
Revenue[1]

US$**1,238**m +**1**%

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.

Key added value

- Assessment of creditworthiness, suitability and affordability of loans supports responsible lending
- Faster, frictionless and better-informed decisions provide an improved customer experience
- Accessing relevant insights into new and existing customers provides more effective management and better engagement with customers
- Authentication of customer identity helps prevention of identity fraud and other crime



Consumer Services

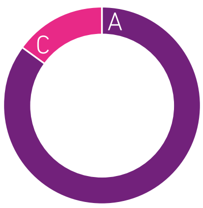
Revenue[1]

US$**1,087**m +**10**%

We help consumers take control of their credit, making it easier for them to manage their financial position, receive financial education, access credit offers, and protect themselves from identity fraud.

Key added value

- Empower and support consumers to take control of their credit, improve their financial well-being and achieve financial goals
- Immediate tangible results through credit score improvement and renegotiation of debts
- Eligibility for and improved access to credit offers and other services
- Better navigation of major financial decisions, such as buying a home
- Improved detection of and resilience to identity theft and fraud



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

		Data	Decisioning	Business-to-Business	Consumer Services	Total US$m	% split
A	North America	1,642	679	**2,321**	**926**	**3,247**	63
B	Latin America	618	114	**732**	**n/a**	**732**	14
C	UK and Ireland	381	227	**608**	**161**	**769**	15
D	EMEA/Asia Pacific	213	218	**431**	**n/a**	**431**	8
Total		**2,854**	**1,238**	**4,092**	**1,087**	**5,179**	

1 Revenue from ongoing activities.
% growths shown are organic revenue growth.

Chairman's statement

Innovative solutions addressing the world's challenges

Mike Rogers
Chairman

We started with a people-first agenda, and a recognition that companies like ours must play a role in helping society deal with the fallout from COVID-19. As you will see, our employees across the world took energetic, proactive steps to use our data, analytics, products and intellectual capabilities to help consumers, businesses, government and non-government organisations.

I am writing this, my first statement as your Chairman, at an unprecedented time. While we have experienced considerable shocks before, never have we seen something that impacts all countries so profoundly at the same time. At times like these, our focus has been and must be on the health and well-being of our people, customers and partners.

We started with a people-first agenda, and a recognition that companies like ours must play a role in helping society deal with the fallout from COVID-19. As you will see, our employees across the world took energetic, proactive steps to use our data, analytics, products and intellectual capabilities to help consumers, businesses, government and non-government organisations.

For example, we are offering free consumer and business credit reports in multiple countries; we've implemented programmes to help protect consumers' credit standings; we've marshalled the resources of our Global DataLabs teams to help solve some of the challenges governments face with the pandemic; and we are offering free resources from our businesses across the globe to help businesses, people and governments to successfully manage through this crisis.

For consumers, in addition to providing free credit reports, we have expanded our financial education efforts and are focusing on useful themes such as 'How to handle higher bills, unexpected expenses and debt shame'.

We've developed a new At-Risk audience segment, available free for healthcare and government agencies to help them identify those most impacted by COVID-19, so they can receive essential services as quickly as possible.

In the USA, to help small and medium enterprises gain access to the credit they need, we launched a free COVID-19 risk simulator tool to help lenders and government organisations better understand lending options for the business segments that need it the most. For US hospitals, medical groups, pharmacies and specialty healthcare service organisations, our Healthcare team is providing free payer policy alerts to help reduce their administrative stress at this time.

And in the UK we have provided our Affordability Passport to organisations, including debt charities and lenders, free of charge for three months to help them identify customers who could be left vulnerable due to changes in their circumstances.

In summary, our response to the pandemic is based on three guiding principles: protect our people, play an essential role, and help those affected. These principles are discussed on pages 10 and 11, while the implications for our business are covered throughout this report.

Our responsibility as a business

Experian has a clearly stated purpose to create a better tomorrow for consumers, our clients, our people and communities. As one of the world's largest data and analytics companies, we play a vital role in providing lenders with the information they need to offer wider access to credit at fairer and more affordable rates. We enable people to take control of their situation, helping them to understand, manage and improve their financial position, as well as to protect themselves and their data.

As a responsible business, we manage a series of ethical, social and environmental risks that could impact on society. We are committed to treating people well, managing environmental issues and always working with integrity.

Addressing financial inclusion and recovery

We have had a sustained focus on financial inclusion, a critical global issue. Currently around 1.7 billion adults remain unbanked, with over one billion in Asia Pacific alone lacking access to formal financial services. Millions more people have no credit history, many of them in our key markets including 40 million in the USA, 22 million in Brazil and six million in the UK. This 'credit invisibility' means millions of people are missing out on opportunities to improve their lives because they can't access fair credit. By empowering them to take control of their financial lives and build their credit profiles, we can help them access the essentials in life.

This issue proves even more timely given the impact of COVID-19 on consumers.

We have made tremendous progress since launching our market-leading innovation Experian Boost, which has already enabled three million people in the USA to connect and add positive data from on-time payments to their financial profiles, in many cases instantly improving their credit scores. In Indonesia, where 80% of people lack access to mainstream credit, our new Atlas platform is building a better data ecosystem to give banks the information they need to enable consumers to get easier access to credit at fair rates.

Those are important indicators of our success. However, COVID-19 has increased the need for greater support for vulnerable communities. Looking ahead, we are launching a financial recovery programme that will equip consumers and small businesses with the tools and resources that they need to take control of their finances.

Protecting and safeguarding data

We take our responsibility as stewards of the data we manage very seriously. The Group's Security and Continuity Steering Committee oversees our approach to keeping data secure and protecting consumer information and provides progress reports on a range of metrics which are reviewed by the Audit Committee at each of its meetings.

We believe that it is every employee's responsibility to keep data safe. Our Security Risk Management and Governance Policy sets clear requirements for employees and business units. With our SecurityFirst programme we educate employees and continually enhance our security infrastructure and practices. We also invest heavily in cyber security to prevent, detect and mitigate evolving threats, as well as perform regular risk assessments and vulnerability checks on critical systems. Our performance is rated as advanced by a leading independent cyber security ratings firm.

Finally, we have clear, documented processes as to how our data must be secured, managed and used in line with regulations. We update our data processes in line with evolving regulations such as the European Union's General Data Protection Regulation (GDPR). We strive to be transparent about the information we collect and the data we aggregate from third parties. Lenders need access to secure and accurate information about people's financial profiles from Experian or other credit bureaux. We only ever share data with authorised and trusted organisations. When we do so, we follow strict guidelines and seek to comply with all relevant laws.

Our people and culture

To fulfil our purpose and grow our business, we need to ensure that we have the best talent. We cultivate an inclusive workplace for our 17,800 employees around the globe and as a Board we actively monitor our progress. We are proud of the engaged and diverse workforce that we have at Experian, and during the year we saw our favourable employee engagement hit 76% and our representation of women in senior leadership positions was 30%. We invested US$10m in learning and training during the year and are proud that we now have 15 global diversity and inclusion groups.

Many of our community investment programmes also support financial health, and our people contribute by volunteering their time and skills. Employees volunteered 54,500 hours of their time (in and outside working hours) to support our financial education and community programmes this year. Our direct community investment totalled US$11.2m.

Becoming carbon neutral by 2030

On the key issue of climate change, we have made a firm commitment to become carbon neutral in our own operations by 2030. Climate-related risks are identified, addressed and managed as part of our global risk management processes by the Group's Executive Risk Management Committee and the Board receives regular reporting on climate-related issues. We follow the recommendations of the Task Force on Climate-Related Financial Disclosure and have aligned our reporting with these.

The results of our approach can be seen. In the last year we cut our absolute carbon footprint by 8% and achieved a 14% reduction in the carbon intensity of our business with respect to the prior year; we did this by improving the energy efficiency in our buildings, consolidating offices and sourcing 29% of our worldwide energy from renewable sources.

Governance

Strong and functioning corporate governance has always been a core pillar at Experian. This is the first time that we report under the 2018 UK Corporate Governance Code and the role of the Board remains that of setting strategy, ensuring the right resources are in place to deliver it, promoting long-term success, generating value and contributing to wider society. We measure the effectiveness of the Board against a number of key metrics including gender diversity, independence of Board and Committee members, clear division of responsibilities and linking of executive remuneration to Group performance. This year, we were very pleased to undertake an independent external evaluation of the Board's performance, and we are proud to be a constituent member of the FTSE4Good Index Series.

During the last financial year, we bade farewell to Don Robert, who had served Experian extremely well in a variety of roles, most recently as Chairman. Paul Walker also stepped down as a non-executive director following nine years of outstanding service. There were no other changes to the Board during the period.

Innovation driving performance and returns

Finally, I am pleased to report that Experian continues to develop strongly and is well established as the world's leading global information services company. We have a clear strategy of innovation-led growth to capture the potential from our addressable markets, and this is demonstrated in our financial and operating results for the last year.

We had a successful year with total revenue of US$5.2bn, up 9%[1] on the prior year, and finished strongly in Q4 with 10% organic revenue growth. We delivered Benchmark EBIT of US$1.4bn at a margin of 26.8%. Benchmark EPS growth was 8%[1] and we returned US$613m to shareholders by way of dividend payments and our share repurchase programme.

Future

Against a backdrop of a challenging and highly uncertain world, at Experian we strongly believe that with our expertise in data and technology we can help people, businesses and society make the most of and adjust to the 'new normal', help support their financial well-being and innovate to power new opportunities for their future.

1 At constant exchange rates.

Chief Executive's review

A strong year driven by innovation and consumer engagement

Brian Cassin
Chief Executive Officer

The past year was a strong one for Experian. We delivered organic revenue growth at the top end of our revenue guidance range and finished the year strongly in Q4. The COVID-19 crisis began to escalate late into our financial year with limited financial impact in FY20. We took swift action across our business in response to the unfolding crisis. We have operations in 45 countries and numerous industry segments, including in many of the societies hardest hit by the pandemic. Our priorities have been to protect our people, to secure our business financially and operationally, to focus on how we can help the millions of consumers who are financially affected, as well as to assist governments and our clients as they respond to the crisis.

The vast majority of our employees are working from home and our operations continue to function smoothly. Our business is strongly cash generative and we have a robust balance sheet and funding liquidity. While we continue to assess the impact of the crisis on our markets, and we expect near-term revenue to be affected, the nature of our business means we have a degree of resilience. We are taking mitigating cost actions in the short term, but we are also positioning ourselves to emerge strongly by continuing to invest in our people and growth initiatives.

The COVID-19 pandemic has highlighted the fundamental importance of data as we tackle this unprecedented challenge. We are proud of the way our people and business have stepped up to provide broader help in this time of crisis. We have a role to play in helping societies recover, and we are leading the way in providing education, advice and free tools to consumers as well as significant and valuable help to governments across the world. We are confident that, once the crisis abates, we will be well placed to continue to deliver on our growth agenda. Accordingly, we have held our second interim dividend level at 32.5 US cents per share.

Revenue
US$**5,179**m
+**8**%

Benchmark EBIT
US$**1,387**m
+**9**%

Our results are shared in the shadow of the tragic COVID-19 pandemic, which is an event like none other in our history. Our thoughts are with the individuals and families whose lives have been affected by the spread of the virus. We also wish to express our support and appreciation to the tireless efforts of healthcare professionals everywhere who are dealing with this crisis, as well as to everyone helping the vulnerable.

Year ended 31 March 2020

The year ended 31 March 2020 was a strong one for Experian. We delivered organic revenue growth of 8%, which was at the top end of our guidance range, with Q4 organic revenue growth of 10%. We made considerable progress strategically and financially and ended the year with a robust balance sheet and liquidity position.

Full-year financial highlights include:

- Revenue growth of 9% at constant currency and organic revenue growth of 8%. At actual exchange rates revenue growth was 7%.
- Double-digit organic revenue growth in North America. Double-digit growth in Latin America with strength across all segments in Brazil. EMEA/Asia Pacific faced some headwinds and declined overall, as did the UK and Ireland which had a challenging year and where we have taken action to improve performance.
- Continued momentum in B2B, with organic revenue growth of 7% as we invest in new sources of data and scale our innovative new platforms.

- Strong growth in Consumer Services, with organic revenue up 10% as we build relationships with millions of consumers and empower consumers to take control of their data.
- Growth in Benchmark EBIT of 9% at constant exchange rates, and 6% at actual exchange rates after significant currency translation headwinds.
- Our Benchmark EBIT margin was 26.8%; flat at constant currency or down 10bps at actual exchange rates.
- We delivered growth in Benchmark earnings per share of 8% at constant exchange rates and 5% at actual exchange rates.
- We continued to convert EBIT strongly into cash, with a conversion rate of Benchmark EBIT into Benchmark operating cash flow of 88%.
- We ended the year in the lower half of our leverage range at 2.2x, compared to our target of 2.0-2.5x Net debt to Benchmark EBITDA.

We delivered further progress in B2B:

- Data delivered organic revenue growth of 10%, with all regions contributing positively. This reflected investment in a wide range of unique sources of data, strength in consumer information across all territories, a strong performance in Brazil and a growing contribution from our bureaux in EMEA/Asia Pacific. We were also delighted after the year end to enter the bureau market in the fourth largest economy in the world, with an agreement to acquire a majority stake in Germany's second largest credit bureau.
- We continued to sign new Ascend clients around the world and are now seeing clients using our Sandbox module in multiple countries. Ascend is currently live in six countries around the world with further launches targeted for FY21. The cumulative total contract value for Ascend has now reached US$313m.
- Decisioning delivered organic revenue growth of 1%. We secured 24 new contracts for PowerCurve and we have made excellent progress in fraud and identity, including with CrossCore. Experian One, our new cloud-based decisioning platform, has been introduced across nine countries. Performance in Decisioning was partially offset by strong prior-year comparables in Asia Pacific and weakness in the UK and Ireland.
- Experian Health delivered further good progress as we expanded our revenue-cycle management product suite and secured new wins with healthcare providers.

Revenue and Benchmark EBIT by region, Benchmark EBIT margin

	2020 US$m	2019 US$m	Total growth[1] %	Organic growth[1] %
Revenue				
North America	**3,247**	2,913	11	11
Latin America	**732**	707	13	13
UK and Ireland	**769**	813	(2)	(2)
EMEA/Asia Pacific	**431**	422	7	(3)
Ongoing activities	**5,179**	4,855	9	8
Exited business activities	**—**	6	n/a	
Total	**5,179**	4,861	9	
Benchmark EBIT				
North America	**1,093**	940	16	
Latin America	**220**	231	6	
UK and Ireland	**171**	230	(22)	
EMEA/Asia Pacific	**15**	3	336	
Total operating segments	**1,499**	1,404	9	
Central Activities – central corporate costs	**(112)**	(98)	n/a	
Benchmark EBIT from ongoing activities	**1,387**	1,306	9	
Exited business activities	**—**	5	n/a	
Total Benchmark EBIT	**1,387**	1,311	9	
Benchmark EBIT margin – ongoing activities	**26.8%**	26.9%		

1 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.

We made significant progress in Consumer Services:

- We have secured direct relationships with 82m consumers for free Experian offers (up from over 55m in FY19). We now have 29.5m free members in the USA, 45m in Brazil and 7.5m in the UK.
- We delivered strong growth in credit marketplace (lead generation) revenues in both the USA and the UK.
- Our consumer activities in Latin America made significant progress, generating revenue of US$40m in the year, an increase of 129% organically. With our success in developing a material Latin America Consumer Services business we will be disclosing this separately going forward.
- We increased Experian Boost membership in the USA, with unique account connections of 3m US consumers since launch.

Capital allocation

- We continued to invest in technology and innovation through capital expenditure. Capital expenditure was US$487m, which represented 9% of total revenue.
- During the year we completed a number of acquisitions, including of a number of credit bureaux; Compuscan in South Africa, a controlling interest in RAMCI in Malaysia and Sentinel in Peru. We also added capabilities in key verticals including Auto I.D., Inc., as well as MyHealthDirect, plus the remaining 45% of our subsidiary Experian MicroAnalytics. Total acquisition expenditure was US$700m.
- After the year end, Experian agreed to acquire a majority stake in the Risk Management division of Arvato Financial Solutions (AFS). The AFS Risk Management division is being carved out of the Bertelsmann Group and is one of the leading credit bureaux in Germany, operating also in Austria. On completion, the consideration will be satisfied by the issue of 7.2m Experian plc shares. The acquisition is subject to regulatory approval.
- Recognising our strong financial position and our diversified and cash-generative business model, we are announcing a second interim dividend of 32.5 US cents per share, unchanged year-on-year to bring the total for FY20 to 47.0 US cents per ordinary share. This will be paid on 24 July 2020 to shareholders on the register at the close of business on 26 June 2020.
- In May 2019 we announced a US$400m share repurchase programme for FY20, of which we had completed US$189m by 31 March 2020. Recognising our capital priorities at this time, we have suspended this programme.

Chief Executive's review
continued

Funding and liquidity

- Our balance sheet is robust. We have a policy of spacing out debt maturities and our next bond maturity is in October 2021. Also, in April 2020 we issued £400m of 3.25% bonds due in 2032, which have further extended the maturity of our debt portfolio.
- As at 31 March 2020 Net debt to Benchmark EBITDA was 2.2x (on a pre-IFRS 16 basis), which compares to our target leverage range of 2.0-2.5x. Following our April Bond issue, at 30 April 2020 we held US$2.4bn of undrawn bank facilities which have an average remaining tenor of four years. These include our core US$1.95bn club facility which is undrawn and committed until December 2024. Our bonds and drawn bank loans, totalling US$4.0bn, have an average remaining tenor of six years and no maturities until July 2021, with no bond maturities before October 2021. The covenant on our bank facilities is that Benchmark EBIT should cover net interest expense (excluding financing fair value remeasurements) by 3x. As at 31 March 2020 this coverage ratio was 11x.

Other financial developments

Benchmark PBT was US$1,255m, up 8% at constant currency and 5% at actual rates, after higher Benchmark net interest expense of US$132m (2019: US$113m). This reflected higher average Net debt largely due to the acquisitions made in the second half and a US$10m IFRS16 related interest charge (see note 3 to the financial statements for further information).

The Benchmark tax rate was 25.8% compared to 25.5% in 2019. The increase reflected the change of profit mix in the year.

Our Benchmark EPS was 103.0 US cents, an increase of 8% at constant currency and 5% at actual exchange rates, as the weighted average number of ordinary shares (WANOS) reduced to 902m (2019: 904m) as a result of our share repurchase programme.

Benchmark operating cash flow decreased 4% at actual rates and our Benchmark operating cash flow conversion was 88% (2019: 97%). The reduction is due to the changing mix of our business, greater infrastructure investment and working capital movements. Trade and unbilled receivables have increased by US$57m during the year, partly due to the impact of COVID-19 on collections.

Foreign exchange translation was a 3% headwind to Benchmark EPS in the year. This was predominantly due to the Brazilian real, which weakened by 9% relative to the US dollar versus the prior year.

Current trends and outlook

The COVID-19 crisis has led to significant shutdowns in economic activity across all our main markets and has impacted revenue performance across many of our industry segments. The situation is currently volatile, with key revenue drivers varying significantly from week-to-week. There are three main factors to consider which will have a bearing on our FY21 performance, namely the extent of the impact of stay-at-home policies on economic activity, the positive effects of government stimulus measures on consumer spending and our own efforts to serve the shifting needs and demands of clients and consumers at this time. Experian's portfolio and geographic diversity also means that not all products and industry segments react in the same way, with some more affected than others.

It is not currently possible to predict how long government lockdown policies will be in place for. We therefore do not intend to provide guidance for the year ending 31 March 2021. For the month of April, the Group experienced a decline in organic revenue of (5)%. Should current trading trends continue throughout the first quarter, we estimate that Q1 organic revenue will decline in a range of (5)% to (10)%. We have also seen significant volatility in foreign exchange rates during the current crisis and in particular a weakening of the Brazilian real. Based on recent average exchange rates persisting, the headwind to Q1 FY21 revenue and Benchmark EBIT would be around 5%.

We are managing costs thoughtfully. We have instigated a range of short-term cost mitigation actions, while remaining committed to maintaining organisational capacity and positioning ourselves to emerge strongly when conditions improve. Accordingly, we have not furloughed any employees and our focus remains on active cost measures on all discretionary costs. We will continue to review all costs as the situation demands.

In order to provide additional transparency, we provide below regional and segmental organic revenue performance over the period 1 to 30 April 2020.

Year-on-year % change in organic revenue – for the month ended 30 April 2020

	% of Group revenue[1]	Data	Decisioning	B2B[2]	Consumer Services	Total
North America	63	(5)	0	**(3)**	**7**	**0**
Latin America	14	(8)	(10)	**(9)**	**112**	**(5)**
UK and Ireland	15	(18)	(9)	**(15)**	**(17)**	**(15)**
EMEA/Asia Pacific	8	(7)	(38)	**(22)**	**n/a**	**(22)**
Total Global	**100**	**(7)**	**(8)**	**(8)**	**6**	**(5)**

1 For the year ended 31 March 2020.

2 B2B = Business-to-Business segment consists of Data and Decisioning business sub-divisions.

CASE STUDY:
Positive data in Brazil

A credit breakthrough

74%
We expect 74% of people in Brazil will see an improvement in their credit score.

137m
We believe 137m people in Brazil will benefit from positive data.

We have long been committed to financial inclusion in Brazil and we are very excited about the new opportunities that positive data heralds for the people of Brazil.

There's been a credit breakthrough for Brazilian consumers and businesses.

As the seventh largest country in the world Brazil has been on a path to improve efficiency in its financial system. Until recently, any credit data collected on consumers and businesses was limited to negative data. Missed payments, loan defaults and bankruptcies are included in a negative data registry used by lenders as part of their credit assessment process. However, this omitted the good credit behaviour of the disproportionate number of people and businesses who pay their credit card bills or loan repayments on time.

In July 2019, new legislation came into effect allowing for automatic inclusion of consumers' positive data into a new positive data registry. Because lenders can now better assess the credit risk of borrowers based on this positive credit behaviour, they can make loans with greater confidence. This will have a powerful impact on credit availability and interest rates in Brazil.

We estimate that positive data will benefit 137 million Brazilians, including 23 million people and 2.5 million MSMEs* who previously would not have qualified for credit due to a lack of data. We expect 74% of people will see a credit score improvement.

Over time we believe that businesses will be able to access more sustainable financing, freeing up capital to invest in growth, and people will be able to access credit at more affordable rates, helping to improve their lives and the financial well-being of their communities.

To support this transformation, we have built and tested new positive data products and processed hundreds of millions of records on our new platform architecture. This is a big change for everyone and will greatly widen access to credit in Brazil.

* Micro, small and medium-sized enterprises.

COVID-19 response

Playing our part during the COVID-19 pandemic

The COVID-19 pandemic is a crisis affecting billions of people around the world. Our thoughts are with the many people whose lives and livelihoods have been upturned by the pandemic, especially those who have lost loved ones. Measures to contain the virus have negatively impacted many economies, with businesses struggling to trade or even becoming insolvent. Consequently, millions of people have lost their jobs or been furloughed, and many are struggling to feed their families and pay their bills.

Improving financial lives

Around the world, governments and central banks have taken decisive action to counteract the economic disruption caused by this pandemic. They have increased support for critical healthcare and approved major fiscal and monetary stimulus programmes. At Experian, our priorities are to protect our people and the millions of consumers who are financially affected, as well as to use our data and analytics to help society recover.

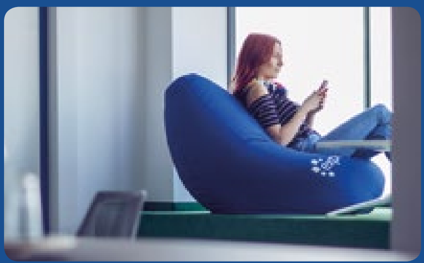
Our evolving response

Our response has evolved rapidly and will continue to do so. We adopted key guiding principles to deal with the emerging situation, which we describe opposite.

Our guiding principles

Our decisions and actions during the pandemic are based on these guiding principles:

1. Protect our people
The well-being of our people is paramount – protecting our employees' physical and mental health, as well as keeping our clients and suppliers safe and healthy.



2. Play an essential role
Ensuring our business remains strong throughout this period – so we can continue to play an essential role in economies around the world – and recover well when the situation abates.

3. Help those affected
Using our capabilities to help those financially affected to cope and recover – not only our clients and consumers, but also governments, communities and wider society.

So that we can adapt rapidly to the changing external environment we have also enhanced our governance and oversight during the crisis. Our Board has met more regularly, our Group Operating Committee is meeting weekly, supported by business continuity teams, and regional leaders have accelerated business activity and financial reporting.

1. Protect our people

We quickly introduced home working for all our offices as lockdown measures were introduced in most countries; except for essential employees in our data centres and some customer service centres. With the necessary technology in place across our regions 99% of our employees have been able to work from home. We know that many of them are not used to working remotely and we took steps to help them cope with this dislocation and retain their sense of being part of a team. We are using video conferencing, email and telephony to do this.

We are also taking steps to help employees cope with the logistical and emotional challenges of lockdown. Across our regions we have intensified employee support, including conducting employee pulse surveys, providing emergency paid leave, virtual doctor services and flexible working hours to support parents, and implementing well-being programmes.

Employees can also access free counselling for professional help to manage anxiety and worry. We want to ensure that we retain a sense of community across our organisation and our employees have the right support in place, from Experian and from each other, to take care of themselves and their loved ones. In some countries, as lockdowns ease, we have seen employees returning to offices as COVID-19 cases level off and there is a small return to normality.

2. Play an essential role

Like any business we will experience disruption from the COVID-19 pandemic, however we are fortunate to be in a financially strong position. For information on our liquidity, cash flow and debt position please see the Financial review on pages 54 to 62, and the Viability section on pages 71 and 72.

This is important because consumers and clients rely on us to provide essential services, whether that is helping people who are concerned about their credit status, preventing scammers from stealing identity details, or ensuring that hospitals can manage patient enquiries.

We are working to ensure people and businesses retain access to the mainstream financial system, to provide them with financial education, to uncover new and innovative solutions, and to support fair, affordable credit. As people's financial health is compromised during this time and they are dealing with higher levels of financial anxiety they will need extra support from us. We want to help everyone come out of this as strong as possible, rather than diminished.

We are supporting businesses of all sizes and working to ensure they have access to information and services that can help them make educated and informed decisions.

3. Help those affected

Our employees have risen to the challenge of providing practical assistance to help consumers, businesses and communities get through this pandemic. We are also working with regulators, lawmakers and governments in our key markets to ensure financial relief gets to the people and businesses that need it most, as quickly as possible.

Alongside our everyday work and community-led efforts, we have taken further action through new initiatives in our different markets. The following are just some of our initiatives:

- Collaborating with other credit bureaux to help shield consumer and business credit scores from the financial impact of deferred credit repayments.
- Accelerating and enhancing our financial education programme to help people recover from the crisis by protecting their financial health and navigating financial hardship.
- Providing free access to various credit reports and scores in the USA, the UK, Colombia and Peru.
- In the USA we have launched a free COVID-19 risk simulator tool to help lenders and government organisations make appropriate lending options available to business segments most in need; and our health team is helping healthcare providers with tools to make the right decisions.
- In the UK we have signed the new C-19 Business Pledge to help the most vulnerable and we are offering our Affordability Passport to organisations, including debt charities and lenders, free of charge for three months to help them identify customers who could be left vulnerable due to changes in their circumstances.
- In Asia Pacific, we are running virtual volunteering sessions, helping aid agencies like the Red Cross and governments to improve co-ordination of their relief projects, and offering free credit management and credit health monitoring solutions for Malaysian companies, SMEs and consumers.
- Our DataLabs are using their scientific expertise to help governments analyse data to understand what is happening in their economies, to target financial help towards businesses and individuals that need it most and to help authorities to tackle the spread of the virus and help the vulnerable.

Adjusting to a 'new normal'

We are cautious about predicting the future beyond this pandemic, but it is already clear that beyond its tragic impact on human lives it will affect the global economy. There will undoubtedly be an economic downturn; however, its severity and longevity will depend on when lockdown conditions are lifted. GDP forecasts have also been cut globally.

Consumers and businesses are already adapting to a 'new normal' and the situation is accelerating trends in customer behaviour around online commerce and emerging technologies. At Experian, we will continue to watch the evolving global situation carefully, plan 'dynamically' and stay ready to adapt and adjust. We are wholly focused on making the right decisions about how best to support our people, retain our capabilities and continue to serve consumers, clients and society as an innovative and strong business.

Investment case

Our unique proposition

Experian today

- Helps people and organisations derive better meaning from data to achieve better outcomes
- Collects, aggregates and analyses substantial amounts of data
- Develops sophisticated software platforms to aid analysis and decision-making based on data
- Provides fraud detection and fraud prevention capabilities

Notwithstanding current market conditions, Experian is a unique investment proposition operating at the heart of the accelerating data and analytics revolution. We are a resilient business and financially well positioned with a strong balance sheet and funding liquidity, and a proven track record of strong operating profit to cash conversion.

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 lenders, individuals, telecommunications companies, governments, the automotive sector, US healthcare providers and many other industries.

In response to growing demand for our services we have expanded far beyond our roots in the UK and the USA. Today we operate globally and employ 17,800 people.

We create innovative new products 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 help people and businesses to seize new opportunities, and drive the future growth of our business.

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, operating in 45 countries.
- Our **business model is scalable**, allowing us to grow revenues quickly with low incremental cost.
- We achieve **significant synergies** across our operations, by combining data sources, integrating analytics and using technology to deliver differentiated propositions.
- Together these four strengths combine to create **high barriers to entry**.

Our future growth potential is supported by critical fundamentals

- We continually invest in **product innovation and new sources of data** to address emerging market opportunities.
- We have **significant relationships with consumers**, unique in our industry, which provide a mechanism for us to engage directly and offer innovative new services.
- We are able to **adapt quickly** to meet the changing needs of our clients and to address emerging market requirements.
- We have great potential to introduce and **expand our services** in all of our markets over the longer term.
- We are expanding our product offering in **industry segments** such as US healthcare and automotive.

Financially well positioned

- We have averaged 6% annual **organic revenue growth**[1] since we became a listed company in 2006, sustaining positive organic growth through all macroeconomic conditions.
- Our **revenue is highly recurring**, 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[1] has averaged 98% since we became a listed company in 2006.
- We make the **best use of the cash** we generate, balancing the need for organic investment in innovation and acquisitions with returns to shareholders, through dividends and share repurchases.

We place a strong emphasis on environmental, social and governance (ESG) criteria

- Our products **create social benefits** by supporting people to look after their financial well-being – helping them understand and better manage their financial position, for example through debt renegotiation tools, free access to credit scores and by connecting consumers to suitable and affordable credit offers.
- We **safeguard futures** by protecting our customers and their families from identity theft and fraud.
- We are introducing innovative ways for **those who lack basic financial services to gain access to credit**, for example through use of alternative data sources and financial education programmes.
- We help to **protect the environment and manage the risks of climate change**. We have consistently reduced our carbon footprint year on year and have committed to becoming carbon neutral in our own operations by 2030.

1 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

Delivering good results

We have taken many steps to implement our strategy during FY20 and deliver results for our stakeholders. We measure our progress against a range of criteria which include financial performance, employee engagement and environmental targets. Looking ahead to FY21, our ability to deliver on our KPIs will be influenced by the COVID-19 pandemic, like every other business.

Organic revenue growth

8%

	%
2020	**8**
2019	9
2018	5
2017	5
2016	5

Reflects our ability to deliver innovative new products and services to clients and consumers and to expand into new industries and geographies

Aim Our aim for FY20 was to consistently deliver mid- to-high-single-digit organic revenue growth. For FY21 the degree to which business performance will be impacted by the expected drop in economic activity is currently uncertain.

Progress Organic revenue growth was 8% this year, coming out at the top-end of our target range. North America (organic revenue growth of 11%) and Latin America (13%) were the major contributors to this growth.

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 2020

See page 104 – revenue performance is a directors' remuneration measure

Benchmark EBIT and Benchmark EBIT margin

US$1,387m **26.8%**

	US$m	%
2020	**1,387**	**26.8**
2019	1,306	26.9
2018[1]	1,241	27.1
2017	1,197	27.6
2016	1,130	27.1

1 Restated for IFRS 15.

Measures how well we turn our revenue into profits, allowing us to generate returns for shareholders, create reinvestment opportunities and drive further growth

Aim To operate our business efficiently and cost effectively with stable EBIT margins.

Progress This year, Benchmark EBIT was US$1,387m, up 9% at constant exchange rates and up 6% at actual rates. Benchmark EBIT margin was 26.8%, in line with prior years before the impact of foreign exchange rates, and down 10 basis points overall.

See page 104 – Benchmark EBIT is a directors' remuneration measure

Return on capital employed (ROCE)

16.1%

	%
2020	**16.1**
2019	15.9
2018[1]	15.5
2017	15.5
2016	15.4

1 Restated for IFRS 15.

Measures how effectively we have deployed our resources and applied capital

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

Progress This year ROCE was 16.1%, up 20 basis points on the prior year. The increase was primarily attributable to organic revenue growth.

See page 104 – ROCE is a directors' remuneration measure

Benchmark earnings per share

USc103.0

	USc
2020	**103.0**
2019	98.0
2018[1]	94.4
2017	88.4
2016	84.4

1 Restated for IFRS 15.

Measures our success at creating earnings and generating value for our shareholders

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

Progress We delivered on our aim with Benchmark earnings per share of 103.0 US cents, up 8% at constant exchange rates and up 5% at actual rates.

See page 104 – adjusted Benchmark EPS is a directors' remuneration measure

Benchmark operating cash flow and cash flow conversion

US$**1,214**m **88**%

	US$m	%
2020	**1,214**	**88**
2019	1,270	97
2018[1]	1,196	96
2017	1,149	96
2016	1,210	106

1 Restated for IFRS 15.

Cash flow gives us the capacity to operate, reinvest and make returns to shareholders. The efficiency with which we convert profits into cash flow is measured by cash flow conversion

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

Progress Cash flow performance was solid this year with Benchmark operating cash flow of US$1,214m, down US$56m on last year. Cash flow conversion of 88% was slightly below our target, due to the changing mix of our business, greater infrastructure investment and an increase in working capital of US$112m compared to the prior year.

See page 104 - cumulative Benchmark operating cash flow is a directors' remuneration measure

Employee engagement

76%

	%
2020	**76**
2019	75
2018[1]	76

1 FY18 results restated from 71% to 76% due to a change in how we calculated the question on 'Intention to stay' in the FY19 survey.

How engaged our people feel is a key driver of our performance

Aim To ensure Experian is a great place to work and that we can attract and retain the best people.

Progress Our most recent employee survey was completed by 88% of employees. Employee engagement levels measured were 76% favourable, an increase of 1% on the previous year's survey. 15% of employees' engagement levels were neutral and 9% unfavourable.

See the Our people and sustainable business section on pages 36 to 48 for further information on the 2020 survey results and our employee listening strategy

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

43.7

	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		
2020	**26.5**	**17.2**	**43.7**	**8.4**	**2.5**
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

1 CO_2-equivalent tonnes.

2 The FY18 intensity metric based on revenue was restated following the adoption of IFRS 15. 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 2020.

Measures how much carbon dioxide we create and our contribution to climate change

Aim To minimise our impact on the environment by steadily reducing carbon emissions.

Progress Our carbon emissions are primarily from our offices and data centres, and from employee travel. This year we reduced our total carbon footprint by 8% to 43,700 tonnes of CO_2e, by improving energy efficiency in our buildings, consolidating offices and sourcing 29% of our worldwide energy from renewable sources. We have committed to become carbon neutral in our own operations by 2030.

For further information please refer to the Sustainable Business report at www.experianplc.com/sbreport

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 earnings per share, and Benchmark operating cash flow and cash flow conversion.

Market trends

Understanding key trends

A number of mega-trends are affecting our markets over the longer term and shaping our operating landscape. These mega-trends revolve around: new digital journeys; changes in the way consumers access digital financial services that are linked to the emergence of data; and the need for sophisticated analytics to verify and interpret this data.

The COVID-19 pandemic means that consumers and businesses are already adapting to a 'new normal' and we anticipate this may accelerate some trends, such as customer behaviour around online commerce and emerging technologies, while subduing other trends in the shorter term.

We can play an enabling role in support and recovery for businesses and consumers worldwide as they seek access to tools which can help them to limit the impact of COVID-19. For example, we can help our clients provide access to affordable credit, improve business insight, provide real-time decisioning and reconnect businesses with their customers.

Innovating to meet new needs

We are innovating to meet the increasing demand for data management, decisioning, analytics, identity and anti-fraud services, consumer identity solutions and credit comparison services.

We can do this because of our best-in-class data and sophisticated technology solutions secured through our organic and inorganic investments over several years.

Changes in consumers' digital behaviour

Trend

Consumer attitudes and behaviours are rapidly changing as the world becomes ever more mobile and digital. People are doing more and more online and are willing to share information if it adds discernible value for them.

They expect digital interactions to be smooth, intuitive and fast, for example when they make purchases or apply for credit. Consequently, businesses have to work harder than ever to find, serve and retain customers in this hyper-connected digital world. They also need to manage risk, adhering to their internal policies and complying with regulations. Individuals and businesses are also increasingly aware of criminals, who seek to misappropriate personal data or carry out identity theft.

Our response

Across our businesses, we have built direct relationships with more than 82 million consumers globally.

We are introducing new services that meet their changing demands, helping them manage their finances more efficiently — on any device, at anytime, anywhere, and placing them in control.

Our credit education and identity monitoring services help to educate individuals about how much of their personal data companies already hold and show them how to protect themselves from fraud and financial crime. Our marketplace products digitise the process of applying for credit, making it a lot smoother and quicker. We help consumers to be matched with the financial products best suited to their needs.

We provide organisations with data and analytical tools so they can understand with whom they are interacting and consequently 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 the most advanced analytical and software tools.

3.8bn

The expected number of smartphone users in the world by 2021

The amount of information we ingest is massive, and grows by 50% each year. The basis of our ingestion is that it occurs in near real time, so if you pay your bills this is reflected in your score. With our global Data Fabric, we can take a workload that would have previously taken six months and complete it in six hours.

Barry Libenson
Experian Chief Information Officer (CIO)

+81m
Average growth in the global population per year

Population growth worldwide

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 in comparison. The wealth gap is also widening and close to 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 a way to reach them.

Our response

We are expanding our presence across several developing regions and have acquired a number of bureaux in emerging markets, including Compuscan in sub-Saharan Africa and RAM Credit Information in Malaysia.

We are developing new technologies to help people gain access to financial services at fair and affordable rates. Some examples of this are: Limpa Nome in Brazil, which helps people renegotiate their debts and agree realistic repayment plans they can afford; and GeleZAR in South Africa, an app that educates users and enables them to strengthen their financial profiles so they can get the credit they desperately need to build their businesses and get ahead in life.

By including additional information sources, we can make credit risk assessment more effective, reducing the cost of extending credit and broadening access.

In developed countries we are adding new data sources such as rental or utility bills payments; in developing countries we may utilise mobile phone payment history instead. We have created market-leading technology that allows consumers to contribute additional data and many of our customers are choosing to share their data with us in order to improve their credit profile. A great example of this is Experian Boost, which three million consumers in the USA have connected their accounts to since we launched it in March 2019.

Proliferation of data and analytics

Trend

Data is proliferating and becoming cheaper for more and more businesses to store, manage and analyse. These 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 are continuously extending and deepening our datasets to keep them as fresh, comprehensive and as accurate as possible.

We are investing in technology and innovation to automate many cumbersome online and previously offline processes.

Information security is vitally important to us. We are investing in a multi-layered and extensive information security programme to manage and protect against cyber security risks. We are channelling investment and resources into this programme to constantly upgrade our security infrastructure in a constantly changing environment.

Read more on cyber security
page 40

Advances in 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 businesses must invest to ensure they remain competitive.

Our response

Investment in the best technology is critical to the way we ingest, store and secure data, as well as to the way we develop and deliver our products. It is one of the critical factors in how we can maintain and extend competitive advantage. Technology enables us to link Experian and third-party data assets in order to create innovative products. We invest widely in emerging technologies to build and bring new products to market quickly. These include investments in an application programming interface (API)/microservices hub which allows clients to consume relevant data in real time, our hybrid cloud environment which means we can build anywhere and deploy anywhere, and be responsive to clients. We have invested in our Data Fabric which utilises Hadoop clusters so that we can ingest large quantities of data with significant levels of accuracy, and our commitment to new ways of working means we can adopt a standardised approach for product development, working in an agile way and building products with in-built security features.

In addition, we use technology to enhance our own internal processes. We use it to improve productivity, allowing us to reduce our conventional cost base and release funds to be redirected to investment in new opportunities, such as further innovation investment. For example, we have invested in increasing our RPA (Robotic Process Automation) capability and have automated 186 of our key processes, with bots processing over 18m transactions since project inception.

A changing 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 believe we can help our clients and consumers to meet their responsibilities in this more demanding environment.

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

Our response

We work with regulators to ensure we fully comply with all new regulations. We also engage in public debate to ensure policy-makers take our views and those of our industry into account. We develop new services to help our clients remain compliant with regulations that affect them.

In response to the Financial Accounting Standards Board's new Current Expected Credit Loss (CECL) accounting standard in the USA, which impacts all banks, savings associations and credit unions, we have released an Ascend CECL Forecaster. We have worked with management consultants Oliver Wyman to develop an industry-leading addition to our Ascend Platform, which allows our clients access to a user-friendly, web-based application. The Forecaster combines our vast loan-level data, third-party macroeconomic data, valuation data and Oliver Wyman's industry-leading CECL modelling methodology to accurately calculate potential losses over the life of a loan. We launched this product in the final quarter of FY20, and we expect to see significant growth in this market going forwards.

Further, we are making significant investments in Open Banking technology, so people can use their information to access improved services which are tailored to their needs.

Read our Open data case study
page 27

Understanding our business model

Creating value for businesses and consumers

We power opportunities and help create a better tomorrow – for consumers, businesses, our employees, and society as a whole. Everyone at Experian supports this purpose and it influences what we do and how we do it.

How we add value

We help people and organisations meet challenges and achieve their ambitions.

Building on the foundations of our business – our people and expertise in data, technology and security – we are ideally placed to play a key role in enabling consumers and businesses to interact more easily. We invest in core differentiators that underpin our business and we use these to drive the execution of our strategy.

We create value by transforming digital experiences for businesses and consumers. We help businesses to become more efficient and reduce costs, while also delivering enhanced services to consumers with greater speed and convenience. We empower consumers to take control of their data and better understand their financial position. We help to make lending simpler, faster and more accessible.

17,800
Employees globally

45
We have offices in 45 countries

Four
reporting regions:
– North America
– Latin America
– UK and Ireland
– EMEA/Asia Pacific

Two
main segments:
– Business-to-Business
– Consumer Services

USA, UK and Brazil
are our largest and longest-established markets

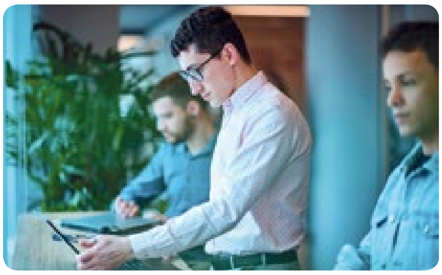
How consumers and businesses use our data, analytics and services

Businesses
Use our data and decisioning tools throughout their interactions with customers

	Initiate contact	Assess each other	Enter and manage relationships	Enhance position
Business-to-Business See page 19	"Find our future customers and the best channels to reach them"	"Assess creditworthiness and affordability using traditional and non-traditional data"	"Create a frictionless experience for consumers" "Reduce the risk of fraud across our product portfolio" "Provide new engaging products for our clients"	"Access highly relevant insights into new and existing customers from data"
Consumer Services See page 19	"Obtain the financing I need more quickly, easily and cheaply"	"Navigate the complexity of major financial decisions to find the right solutions for me"	"Keep on top of my financial position and actively manage my finances" "Selectively permission access to my data and identity" "Have visibility into how my data is used and where it's available"	"Achieve my financial and life ambitions"

Consumers
Use our data services to access credit, receive financial education and take control of their data

How our business segments add value for our clients and consumers



Business-to-Business

Data

What we do

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. We collect, sort and aggregate data from tens of thousands of sources, transform it to provide a range of information services, including assessments of the likelihood that current and future credit obligations will be met. Businesses including banks, automotive dealers, mobile phone operators and retailers, use this information to make decisions about lending and the terms on which to lend.

We operate 23 consumer and 11 business information bureaux

Key added value

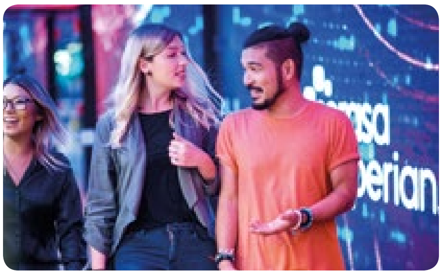
- Large volumes of disparate data are aggregated into accurate, timely and usable information
- Information helps support impartial credit decisions and broader access to credit
- Extensive marketing data relevant to consumer lifestyles helps businesses understand their customers better and serve them with tailored products

Revenue generation

- Primarily transactional with a portion from licence fees

Market position

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



Decisioning

What we do

We draw on the depth and breadth of our credit information databases and on other information, including clients' own data, to develop predictive tools, sophisticated software and platforms. These all help businesses and organisations manage and automate large volumes of decisions and processes. Our services help our clients improve the consistency and quality of their business decisions, in areas including: credit risk; fraud prevention; identity management; customer service and engagement; account processing; and account management. We apply our expertise in analytics and software across many industries, including financial services, retail, US healthcare, telecommunications, utilities, insurance and FinTech.

Key added value

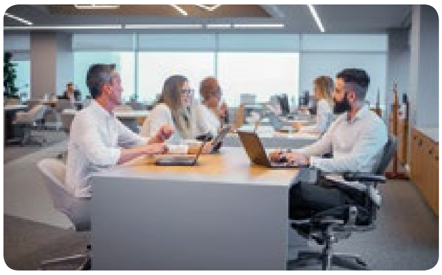
- Assessment of creditworthiness, suitability and affordability of loans supports responsible lending
- Faster, frictionless and better-informed decisions for improved customer experience
- Relevant insights into new and existing customers for more effective management and better engagement with customers
- Authentication of customer identity helps prevention of identity fraud and other crime

Revenue generation

- Software and system sales: consultancy and implementation fees; recurring licence fees; and transactional charges
- Credit scores sold on a transactional, volume-tiered basis
- Analytics – a mix of consultancy and professional, along with transactional

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

What we do

We provide credit and identity monitoring directly to millions of consumers in the USA, Brazil, the UK, South Africa, Colombia and India. Our services for consumers include free access to their Experian credit report and score, and useful online educational tools. In the USA we enable people to contribute their own data, for example utility and mobile payments, to their file to help them improve their credit score. In some markets like the USA and UK, we offer comparison services, which show consumers a choice of relevant and available credit card, personal loan, mortgage and other deals based on their 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.

Key added value

- Empower and support consumers to take control of their credit, improve their financial well-being and achieve their financial goals
- Immediate tangible results through credit score improvement and renegotiation of debts
- Eligibility for and improved access to credit offers and other services
- Better navigation of major financial decisions, such as buying a home
- Improved detection of and resilience to identity theft and fraud

Revenue generation

- Monthly subscription and one-off 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, NerdWallet, Lending Tree, ClearScore, Equifax, TransUnion

Understanding our business model
continued

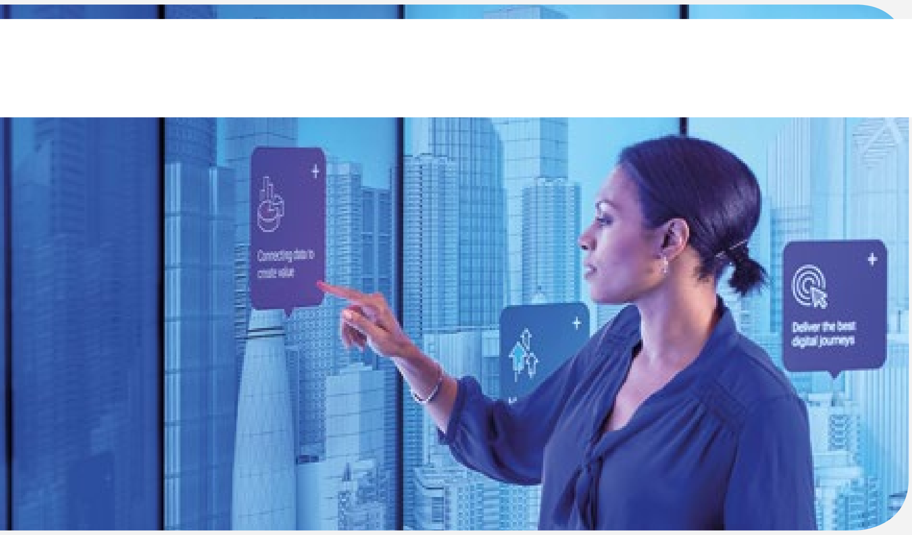
How we drive an essential service to create value for our stakeholders

Our inputs: our key differentiators

A culture of innovation

We have a long tradition of introducing innovative new products. It's an important differentiator for our business as well as a major growth driver. We have introduced a formalised process to embed a culture of innovation across Experian. This starts by monitoring market trends and evaluating client needs. We then systematically identify opportunities and decide the most promising initiatives to invest behind.

We've invested in innovation and we're passionate about customer experience. Scan the QR code to view our video.



Our extensive data assets

Data is the foundation of our business. Worldwide we hold and manage the credit history and repayment data on 1.3 billion people and 163 million businesses. We are focused on ensuring we continue to have the best datasets available and the best products to help our clients make sense of their data. We are expanding the breadth and depth of our data coverage through partnerships, new bureau data in the USA on thin-file consumers and on consumers in Peru, proactive preparation for positive data in Brazil, and consumer-permissioned data through Experian Boost and our Open Data platform.

Our global scale

Our cross-regional approach allows us to provide better services for global and local clients, by maximising our common platforms, innovations and best practice. We can test new products in one market and transfer them into others in a systematic and replicable way. This enables us to deliver value at global scale and into our smaller geographies where we can export our successful platforms and formats.

Breadth of capabilities

We work together with a One Experian approach. This approach proactively encourages the sharing of knowledge, best practices, talent and technology across our organisation. It also means we look for opportunities to drive internal synergies by integrating data with advanced analytics, decisioning workflows and platforms, as well as to combine capabilities from across business units. This approach means we can often create highly differentiated services which are unique to Experian.

Consumers at the heart of what we do

As trusted custodians of data for millions of consumers our focus is on keeping this data safe and using it to empower them to improve their finances and seize new opportunities. We have developed direct relationships with 82 million consumers, pioneering new ways for them to have greater control over their data through products such as Experian Boost; and helping them to take back control when they are indebted, using a product like our Limpa Nome portal.

Investing for strong, sustainable growth

Our strategy is executed through continued investment in our people, in high-quality data and cutting-edge technology, together with a comprehensive security programme. This investment funds innovation, enables technology transformation and accelerates the delivery of compelling products and services to our clients and consumers, helping to create long-term value for our stakeholders.

Robust financial performance and reinvestment

Delivering our strategy and achieving strong growth, adopting a disciplined capital allocation process – together these give us the opportunity to reinvest back into Experian, for example, in our people, in training or in driving innovation and technology. We prioritise the use of capital to invest organically in selected projects, to secure strategically important assets through acquisitions, to take minority stakes in early-stage companies and to invest through our venture fund. We balance this with returns to our shareholders through dividend payments and our share repurchase programme.

Our shared values

Around the world we have a unique and consistent way of working – The Experian Way. It informs how our people act and behave to shape our culture. It is defined across five key areas in our commitment to:

The Experian Way

- Delight customers
- Innovate to grow

Technology and security are at the heart of everything we do at Experian. It makes us quick, reliable and efficient. It helps us to protect our business, drive consistency and effectiveness, develop innovative new products and future position our business.

combined with our other key resources

drive an essential value cycle

for all our stakeholders

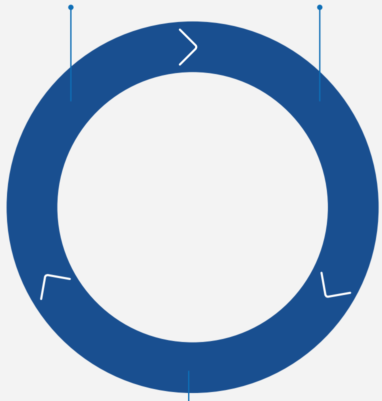
Our people

See more on page 42 to 44

Technology

Security

See more on page 40 to 41



Our clients and consumers

Our communities

Our people

Our suppliers

Governments

Our shareholders

Collaborate to win

Safeguard our future

Value each other

Understanding our business model
continued

Value creation and impact for our stakeholders

	Why they're important	How we engage them	Value created
Our clients and consumers	**Clients' needs include:** - Better services for customers – faster and frictionless - Meeting regulatory requirements **Clients' and consumers' needs include:** - High-quality and accurate data - Data security - Consumer privacy - Access to credit and other services - Prevention of fraud and identity theft	We partner with our clients to understand their challenges and develop new products that help them solve problems. We welcome their constructive feedback about our products and service, either informally or through our yearly Net Promoter Score surveys. We engage with consumers via our free platforms, providing them with financial education, useful tools, free Experian credit reports online and various other products. Consumers can reach us through our dedicated call centres and we respond to their concerns about a range of issues.	We empower millions of people and thousands of businesses to use their data more effectively – seizing new opportunities and taking greater control. We help them by turning data from many sources into useful information that they can use. And we create powerful analytics and software, so they can make informed decisions.
Our communities	**Communities need:** - Business success, employment and job creation - Access to public services - Long-term asset creation in communities - Inclusion in mainstream financial services and products	We draw on all our resources – including our people, information and skills – to support communities worldwide in innovative and effective ways. These include the development of social innovation products, employee volunteering and partnerships and support for community groups and charities.	We help people access credit and other financial services, which they can use to take control of their financial circumstances and improve their lives. We support businesses to help them prosper and to enhance their potential as local employers.
Our people	**People need:** - To feel valued for their contribution - To feel they make a difference to society - To contribute to our engaging, positive and empowering culture - Training and learning - Career progression - Job security	We listen to our people's views, support 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 undertake interesting work. We give them the right tools to work effectively, learn new skills and develop their careers. We celebrate great performance and ensure employees feel nurtured and supported throughout their careers with Experian.	Our work carries great responsibility and how we work is as important as what we do. We provide employees with opportunities for growth, with training, and with a sense of purpose which is an integral part of a bright, ambitious business that makes a positive impact globally.
Our suppliers	**Suppliers want:** - Long-term, collaborative relationships - Business opportunities - Mitigation of market and financial risks - To meet regulatory requirements	We create close and collaborative relationships with key suppliers to ensure streamlined processes, performance, segmentation and qualification. This helps us to uncover and realise new value, increase savings and reduce risks of failure and cost. These close relationships also help us ensure that we meet our compliance obligations, for example in the UK on Modern Slavery.	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 markets.

	Why they're important	How we engage them	Value created
Governments	**Governments are concerned about:** - Building sustainable economies - Managing economic cycles - Supporting their stakeholders' financial well-being - Compliance with regulations - Management of issues that affect consumers and businesses	We develop constructive relationships with policymakers and regulators. Our senior executives meet regularly with legislators to ensure that they understand the opportunities, value and challenges associated with our business. We respond and engage with government during public consultations on issues that are relevant to our business.	We enable the transparent flow of data that is essential to the functioning of modern economies and the financial ecosystem. High-quality data reduces the risk to lenders of extending credit, increasing their confidence to lend, ability to assess affordability and meet their compliance obligations. This benefits the wider economy by improving access to credit, improving market competition, increasing credit diversification and reducing the cost of credit.
Our shareholders	**Shareholders want to:** - Understand Experian's financial results and strategic programme - Analyse structural market trends - Generate investment returns through share price appreciation, dividends or share buybacks - Understand management and incentive structures - Understand our commitment to ESG and the value we create for society	We build relationships with our shareholders through our investor relations programme. In our quarterly financial updates we inform our shareholders about Experian's financial and strategic progress. We hold face-to-face meetings and run dedicated teach-ins to educate them about our products and services. Regular investor surveys provide us with feedback and enable us to take corrective action if necessary.	We aim to create long-term shareholder value, by investing to grow our position in our chosen markets – driving strong financial performance to deliver returns for shareholders through share repurchases or dividends.

Creating significant value every year

3bn credit decisions supported facilitating billions of loans

US$10bn fraud prevented

4.3bn microloans enabled

US$11.2m direct community investment

70% reduction in time to process credit applications[1]

54k employee volunteer hours

+13 points average increase in credit score[2]

8% reduction in carbon emissions

US$422m debt renegotiated by consumers on Limpa Nome platform

6.2m conversations with consumers

277k fraud victims supported

1 Using Experian's Open Data Platform.
2 FICO® Score 8 credit score using Experian Boost in the USA – see page 29 for more information.

Our strategy

Addressing new markets through **innovation...**

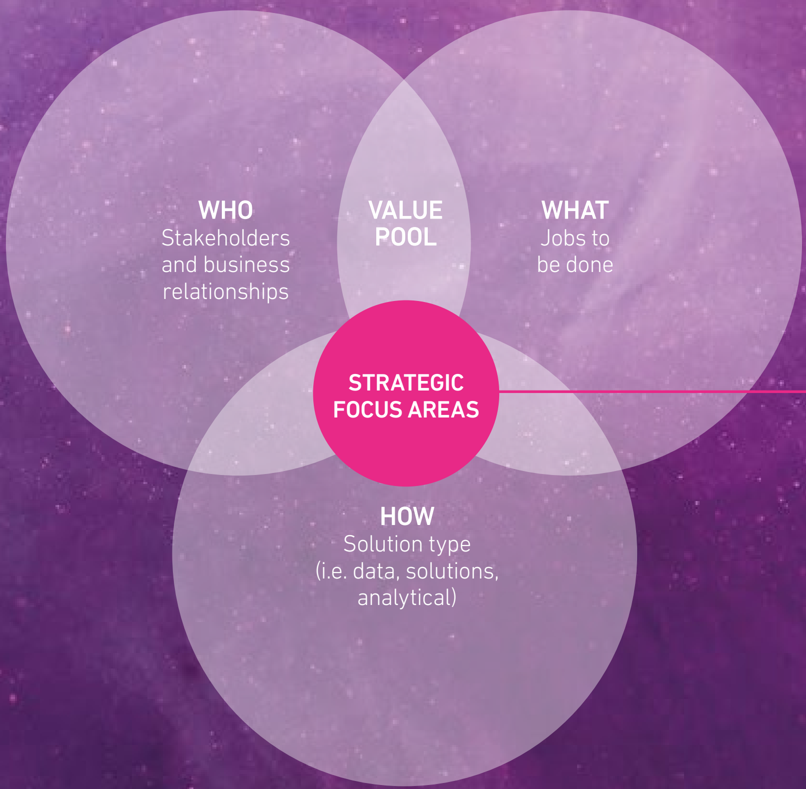
The world is experiencing significant transformation as it digitises. As consumers, we expect to transact through our mobile devices, for transactions to be concluded instantly and for offers to be increasingly personalised to our needs. Businesses wish to better serve their own customers by delivering enhanced features and experiences while also appropriately managing risk and ensuring they deliver services efficiently. These wide-ranging needs can be addressed by increased use of data, analytics to interpret the data and advanced technologies which automate and speed up decision-making. Combined, this has led to expansion in the markets that are directly served by Experian.

Our strategy is to invest behind these key market drivers. This involves ensuring that we have the richest and most comprehensive data assets, that we innovate to bring the latest technologies and analytical tools to our clients and that we ensure millions of consumers are able to participate, and engage with their data. Over time this has extended our sphere of operations as we deploy the breadth of our capability across many industries and geographies. For example, and as we discuss within this section, this year we have scaled new data platforms such as Experian Ascend, we have expanded our position in the financial services, health and automotive industries, expanded geographically across many territories including acquisitions in South Africa and Malaysia and millions of consumers have tried innovative new offers like Experian Boost.

We constantly evolve, review and test our strategy to reflect the changing global economic environment. In this respect, across all our areas of strategic focus, we are pivoting post the COVID-19 crisis to areas of heightened need, and particularly those which can directly help consumers, businesses and other organisations to cope and recover.

Our strategic focus areas

Actionable areas of growth that are aligned with Experian's enterprise strategy, capabilities and assets.



1. **Make credit and lending simpler and faster for consumers and businesses**
See page 26

2. **Empower consumers to improve their financial lives**
See page 28

3. **Help businesses verify identity and combat fraud**
See page 30

4. **Help organisations in specialised verticals harness data and analytics to make smarter decisions**
See page 32

5. **Enable businesses to find, understand and connect with audiences**
See page 34

We aim to place our clients and consumers at the heart of our strategy. Our strategic focus areas help us to do this. They give us more effective direction by clearly defining what challenges our clients are grappling with and how we can be part of the solution. We consult our clients throughout our product development process, ensuring we build solutions that address their needs and that Experian continues to deliver best-in-class solutions.

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

Consumers expect seamless online experiences, including applications for finance. Our services use data and analytics to help our clients make rapid decisions about who to lend to and how much to lend, which significantly reduces the time it takes to respond decisively to consumers when they apply for credit. By reducing the friction and frustration in lending processes, we improve the experience for consumers and businesses.

Customer needs

- Reduced friction in loan acquisition and underwriting
- Ability to make smarter lending decisions
- Optimal management of credit portfolios

68%
of adults in Brazil with a bank account

An example of what we've achieved this year

Positive data in Brazil

We have been preparing for the shift to positive data in Brazil for some time and we are helping our clients and consumers navigate this transformational change. The change in the law means that positive payment histories can now be aggregated and included as part of a credit assessment process in addition to the traditional so-called negative data, which includes missed payments and defaults. This could represent a sizeable shift in the lending environment in Brazil, with the promise of wider access to credit at more affordable rates and which has the potential to promote greater financial inclusion and improved financial health. In October 2019, we received formal accreditation from the Brazilian Central Bank to incorporate positive credit payment data as part of our credit scoring process, and we have received data from major banks and financial institutions. We have developed a range of new offers to utilise positive data and we started to introduce these new services during FY20.

Our future plans

Eliminating Artificial Intelligence bias in credit decisioning

Understanding and preventing bias in any kind of decisioning process is a growing concern for regulatory bodies, the services industry, and society in general. We have developed a solution that aims to solve the ultimate problem of determining and fixing algorithmic and decision bias. It applies to any stage of modelling, allowing clients to train fair models, to evaluate fairness of existing models, and to improve fairness of unfair models. The platform utilises state-of-the-art academic research and novel statistical approaches, along with public and Experian-private corroborative data.

Our aim is to allow our clients (and Experian) to demonstrate fairness, our consumers to enjoy fairness, and the regulators to ensure fairness. The roll-out is envisioned as a multi-industry, global offering that enables cross-selling opportunities for the Experian Ascend platform and Experian's data resources as well as supporting Experian's mission of enabling fair and impactful data-driven decisioning across the globe.

Read our Fairness-as-a-Service case study page 39

SPOTLIGHT

Open data

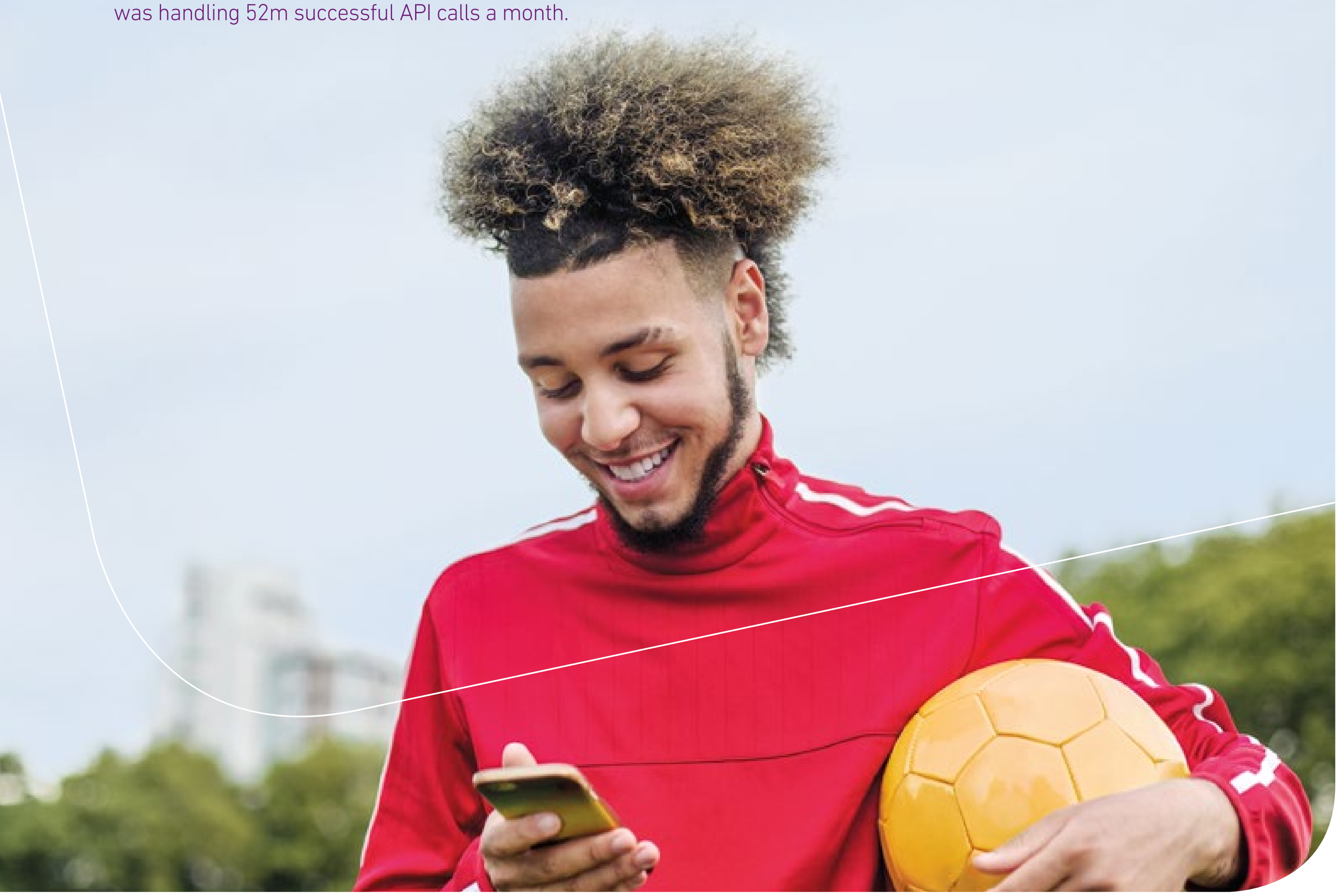
Enabling customers

We are leading the way with open data, driving value for our clients and consumers. Open data means we can introduce new services such as affordability checking tools, personal finance management and recommendation engines. The Experian Open Data Platform (ODP) has a repository of over 150 Application Programming Interfaces (APIs) that can be used to power digital services by providing access to demographic, lifestyle, financial and non-financial product information. With consumer consent, the ODP provides connectivity to any of their UK online personal and business current accounts, as well as to our consumer and commercial credit bureaux and other complementary services such as CrossCore for identity and verification. It also provides access to other sources for open data, such as management account information for SMEs sourced from the UK's 15 largest providers of this information. As at April 2020, the ODP was handling 52m successful API calls a month.

It's great to see Experian play such a significant role in helping to build consumer trust and confidence when securely sharing their data via Open Banking.

Helping people and businesses to understand the value of their data and realise the benefits is instrumental in really driving Open Banking to become more commonplace, ultimately delivering better and quicker outcomes for how people can move, manage and make more of their money.

Imran Gulamhuseinwala OBE
Trustee of the Open Banking Implementation Entity



2 Empower consumers to improve their financial lives

Our vision is to become consumers' first choice for managing their financial lives. Our solutions can help them gain access to credit at affordable rates and we have products available to assist them at all levels and stages of their financial lives. We have introduced new services such as Experian Boost which allows more data to be taken into account in the calculation of a credit score if the consumer permits it. We have also developed data marketplaces in several countries including the USA, Brazil and the UK, as well as across several markets in Asia Pacific, where consumers can go to compare credit offers and select those which they are most eligible for. Another example comes from South Africa where we have launched an app that helps to educate people, especially micro-entrepreneurs, about their finances, so they can get a better understanding of credit scores.

Customer needs

- Gaining access to credit
- Safeguarding identity
- Saving money
- Negotiating debt
- Improving financial knowledge

34%
of Americans have a subprime or deep subprime credit score

1.7 billion
adults currently 'unbanked globally

An example of what we've achieved this year

Serasa Free Score and Limpa Nome

In Brazil, we are working to help consumers manage debt and to make access to credit fairer for everyone. We have 45m free members in Brazil, up 15m from March 2019. Serasa Free Score is an online service that lets consumers check their credit profile and score, learn about how they can improve their scores, obtain affordable credit and manage debt. Consumers can use our recovery portal, Limpa Nome, to see all their own overdue debts in one place and to negotiate online with lenders for more achievable repayment plans. This year, Limpa Nome reached 5m people, helping them to renegotiate their debts, and since its introduction in September 2018, consumers have renegotiated debt totalling US$508m.

Our future plans

Increasing financial inclusion in Asia Pacific

Through Experian DataLabs we work together with our clients to safely and securely carry out breakthrough data experimentation and innovation. Our DataLab in Singapore focuses on finding new ways to increase financial inclusion across Asia, where a billion people remain unbanked. There is limited or no information available about these people via traditional credit bureaux and they find themselves excluded from mainstream finance because of difficulties in authentication and credit risk assessment. They often face great difficulty when applying for financial products or services, and often the cost they have to pay for credit can be high. There are many kinds of alternative data assets that could help to bridge this gap, helping people to establish a financial profile, which can then help them to access credit more easily and at lower rates.

SPOTLIGHT

Experian Boost

Connecting customers

According to Credit Builders Alliance, a US consumer with a subprime credit score will pay approximately US$200k more over their lifetime than with a more favourable credit score. Experian Boost enables US consumers to add on-time payments to their credit files for the first time to instantly improve their credit scores[1]. It has the potential to help over 100 million people. Since its introduction in March 2019, three million consumers have connected their bank accounts via Experian Boost. This allowed us to identify additional on-time payments to utility and telecoms providers, helping to build a more comprehensive picture of a consumer's ability to pay. 60% of these consumers saw an instant increase in their credit score[1]. Of the consumers who received a score increase, 12% moved up a score band, in many cases becoming eligible for better pricing on financial products. Experian Boost has also driven traffic to CreditMatch, our comparison site which connects people directly to credit offers which are suited to their particular credit profile.

Experian Boost was the winner of the **"Consumer Lending Innovation Award"** in the 2020 FinTech Breakthrough Awards.

Learn more about how we're pioneering new ways to give consumers control of their data in our Experian Boost demo video.

1 FICO® Score 8.

3 Help businesses verify identity and combat fraud

Consumers are increasingly aware of the need to understand and protect their data footprints. We help to protect them from bad actors and prevent their data being misused for malicious purposes. We also provide them with ways to control their data, for example by locking and unlocking their credit file.

Customer needs

- Help with identity verification and detection and prevention of fraud
- Streamlined authentication of legitimate parties
- Help for businesses to achieve regulatory compliance

5.66%
of US consumers were victims of identity fraud in 2018

US$50bn
The cost of identity theft to US businesses is estimated to be more than US$50bn a year

An example of what we've achieved this year

IdentityWorks and Precise ID

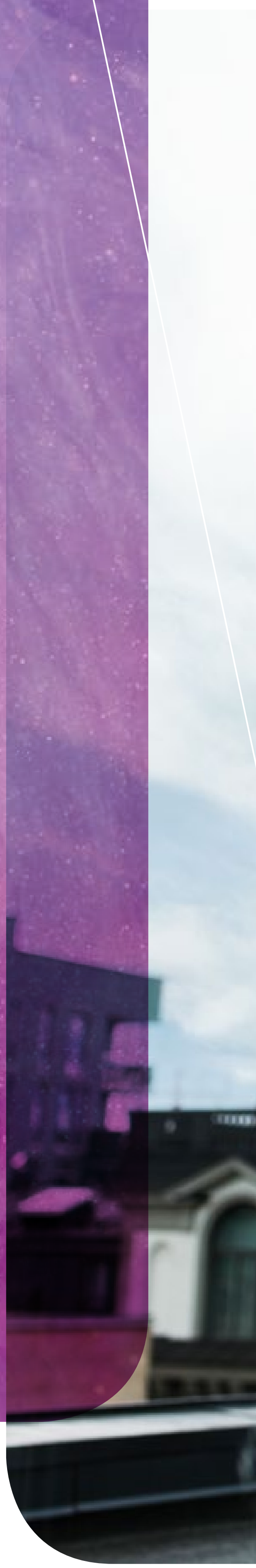
In the USA, IdentityWorks and Precise ID are two of the products we offer to help consumers and businesses protect themselves from fraud and identity theft. For businesses, Precise ID offers a risk-based fraud detection and prevention platform that helps them manage fraud risk across the entire customer lifecycle. Experian IdentityWorks is designed to help individuals detect potential fraud and take action, with extensive credit monitoring and alerts.

Our future plans

Combatting synthetic identity fraud

Synthetic identity fraud is one of the fastest growing forms of identity theft, and has historically been the hardest to spot and combat. It is expected to drive US$48bn in annual losses by 2023. Instead of stealing an identity, fraudsters blend information together to create fictitious identities. These fraudulent identities are then used to obtain and build credit history.

Our solution is a first-of-its-kind and key innovation on a solution that only Experian offers. No other company has a solution that solves synthetic identity fraud in this way. With this solution, we will enable our clients to determine synthetic ID fraud at the top of the funnel. At the point the consumer engages with our clients, Experian will determine whether the individual is real or not – a synthetic identity or not. This information will be delivered as an enriched profile – part of the Experian Credit Report. We have achieved this by applying new machine learning techniques, generating new insights into identity behaviour to create an unprecedented and robust solution that fundamentally changes the value proposition Experian can make to clients in the identity risk space. This innovation reinforces our position as a leader by creating the standard set of criteria to identify a synthetic identity at the time of a credit application to detect risk, mitigate future losses and protect consumers. We expect the product to be available to lenders in 2020.



SPOTLIGHT

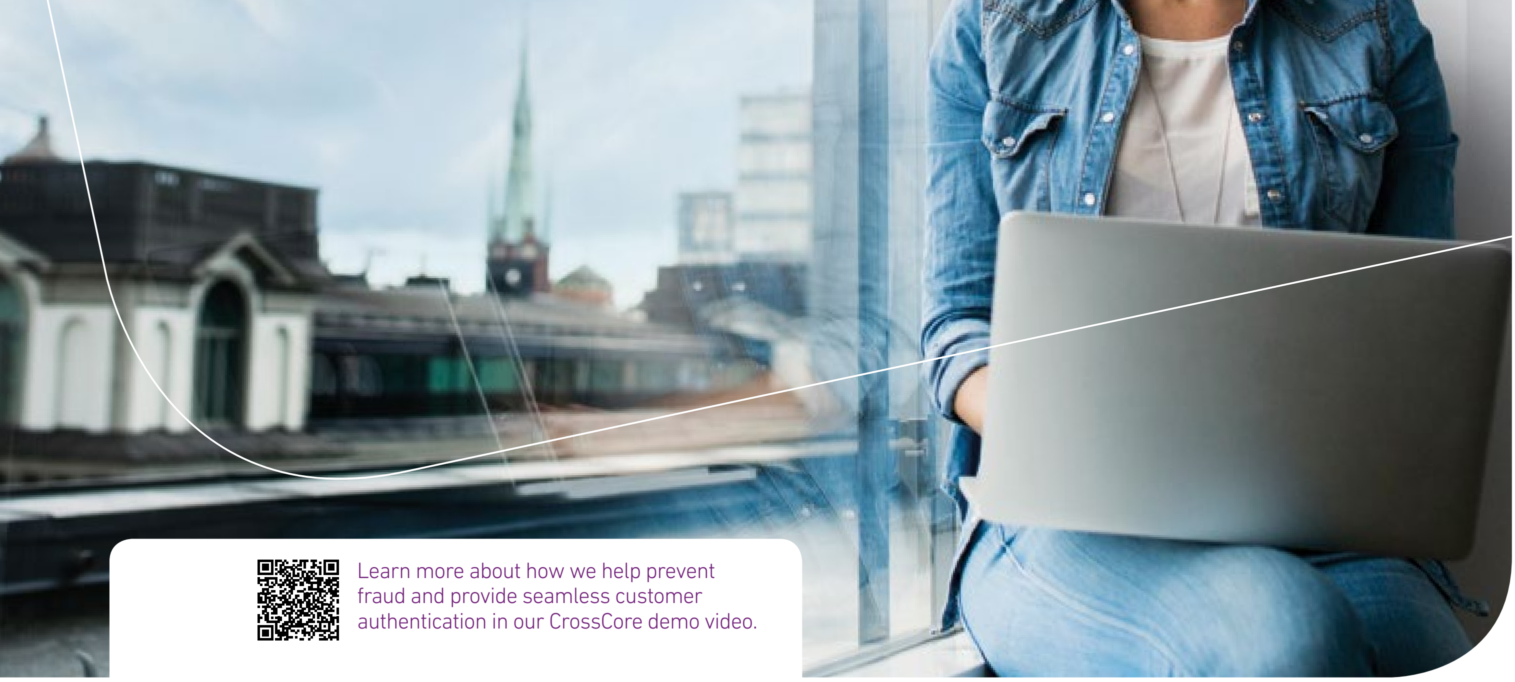
CrossCore

Protecting customers

The ability to confidently recognise consumers and safeguard their digital transactions is becoming increasingly challenging for businesses. In addition, fraud threats continue to rise across the globe as fraudsters take advantage of the COVID-19 global health crisis and rapidly shifting economic conditions. We're helping businesses quickly respond to today's emerging fraud threats with CrossCore, our fraud and identity platform. It is the first smart, open, plug-and-play platform for fraud and identity services. It delivers a futureproof way to modify strategies quickly, identify fraud faster, improve compliance, and provide a seamless customer experience. Using CrossCore, our clients can centralise and connect all of their fraud and identity solutions, which provides greater flexibility, enhanced compatibility between products, and faster decision-making.

In May 2020 we released a new version of CrossCore to provide our clients with a simpler way to manage complex orchestration; faster, more scalable performance; and key performance indicators in near real time, all while enabling a personalised and seamless experience for their true customers. To date, CrossCore is being used by more than 250 of our clients worldwide and offers technology and capabilities from multiple leading third-party partners. Combined with Experian's identity verification capabilities our clients can identify fraudsters better and stop fraud attacks before they happen.

Now more than ever, businesses need to lean on capabilities and technology that will allow them to rapidly respond in these challenging times, increase identity confidence in every transaction, and provide a safe and convenient experience for customers.



Learn more about how we help prevent fraud and provide seamless customer authentication in our CrossCore demo video.

4 Help organisations in specialised verticals harness data and analytics to make smarter decisions

Our data and analytics capabilities are relevant to a wide range of clients and scalable across different markets. Many vertical markets are only just 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.

Customer needs

- Reduced complexity and increased transparency in specialised verticals
- Improved ability to leverage data and analytics within workflows
- Reduced operational costs

55%
of automotive dealers and marketers cite improving lead conversion as their biggest marketing priority

Technologies such as cloud computing, 5G, Artificial Intelligence, Natural Language Processing, and Internet of Medical Things can help streamline healthcare delivery and align it with changing consumer preferences.

Deloitte – 2020 US and global healthcare outlook

An example of what we've achieved this year

Automotive

In the USA, our automotive business scaled well during FY20. Automotive is a data-rich industry with information often needed on vehicles, demand for vehicles in a given locality and the value of a vehicle, as well as data that may be used in extending car loans. We are able to combine our many datasets in a variety of ways and combine them with analytical tools to help customers to provide market intelligence and the ability to market vehicles. Our customers include dealerships, manufacturers and lenders.

This year, we launched Auto Audiences, a targeting product that helps auto dealers identify and connect with prospects who are in-market or soon will be, as well as with current vehicle owners in their target market. We also made a strategic acquisition within Automotive, Auto ID, in order to extend our fraud mitigation capabilities for auto lenders.

Our future plans

Data exchange

We gather data from a vast range of sources, much of which is shared by our clients. This helps us build up consumers' credit files and gives organisations a more complete profile of their customers. 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 allow 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.

SPOTLIGHT

Healthcare

Engaging customers

Our mission is to use data-driven insights to connect and simplify healthcare for all. Over the past year we continued to do this as we expanded our offer to US healthcare providers. They desire better engagement with their patients and to provide greater transparency about payments. This drove demand across our product suite, including patient engagement, patient coverage and identity management offers. We also strengthened our proposition with the acquisition of MyHealthDirect in August 2019 helping us to further simplify and automate appointment, scheduling and payment processes, helping to reduce stress for both US healthcare providers and patients.

We help US hospitals and physician practices increase efficiencies across financial and administrative tasks so they can provide an improved patient experience, strengthening the patient-clinic relationship, and make smarter business decisions.

60%

of all US hospitals use one or more Experian Health products

5 Enable businesses to find, understand and connect with audiences

Businesses want to understand their customers better and communicate with them more effectively. They need to be able to identify audience groups, then target them with relevant messages and offers – simultaneously managing their communication costs as effectively as possible. We can provide the insights they need by combining and enriching datasets and helping our clients to identify customers in the digital sphere. We aim to 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 even more accurate predictions.

Customer needs

- Ability to accurately connect businesses and customers
- Capacity to offer products to consumers across channels
- Compliance with regulations

94%
of adults watch some TV each week, with one in six watching over 40 hours

Spending for marketing automation tools is expected to reach US$25.1bn annually by 2023.
Martech Today, 2018

An example of what we've achieved this year

Addressable TV advertising

Our OmniActivation product enables marketers to connect with a single audience across channels at the one-to-one level. OmniActivation gives our clients the platform to deliver tailored TV advertising campaigns, based on audience data such as income, lifestyle interests, shopping behaviour and family composition. With Addressable TV, businesses pair their TV strategy with online, mobile, email and direct mail to reap the benefits of improved customer loyalty and increased sales. Further, we measure the campaign effectiveness of addressable campaigns, determining return on investment and providing actionable insights for future campaigns.

Our future plans

Aperture Data Studio 2.0

In January 2020, we launched version 2.0 of our Aperture Data Studio. Aperture Data Studio is an intelligent, self-service data quality and enrichment platform that combines our clients' own data with Experian's globally curated datasets and helps businesses turn their data into a strategic asset. We developed version 2.0 in close consultation with existing clients, and based on their feedback have incorporated a brand new user interface for intuitive navigation, a robust security model and a host of collaboration features. The latest version is designed with the everyday data practitioner in mind, enabling them to quickly leverage their data, collaborate seamlessly and achieve faster time to value compared to the competition. Aperture Data Studio 2.0 has been well received by the market, and we will continue to increase our vertical and geographical presence going into FY21 and beyond.

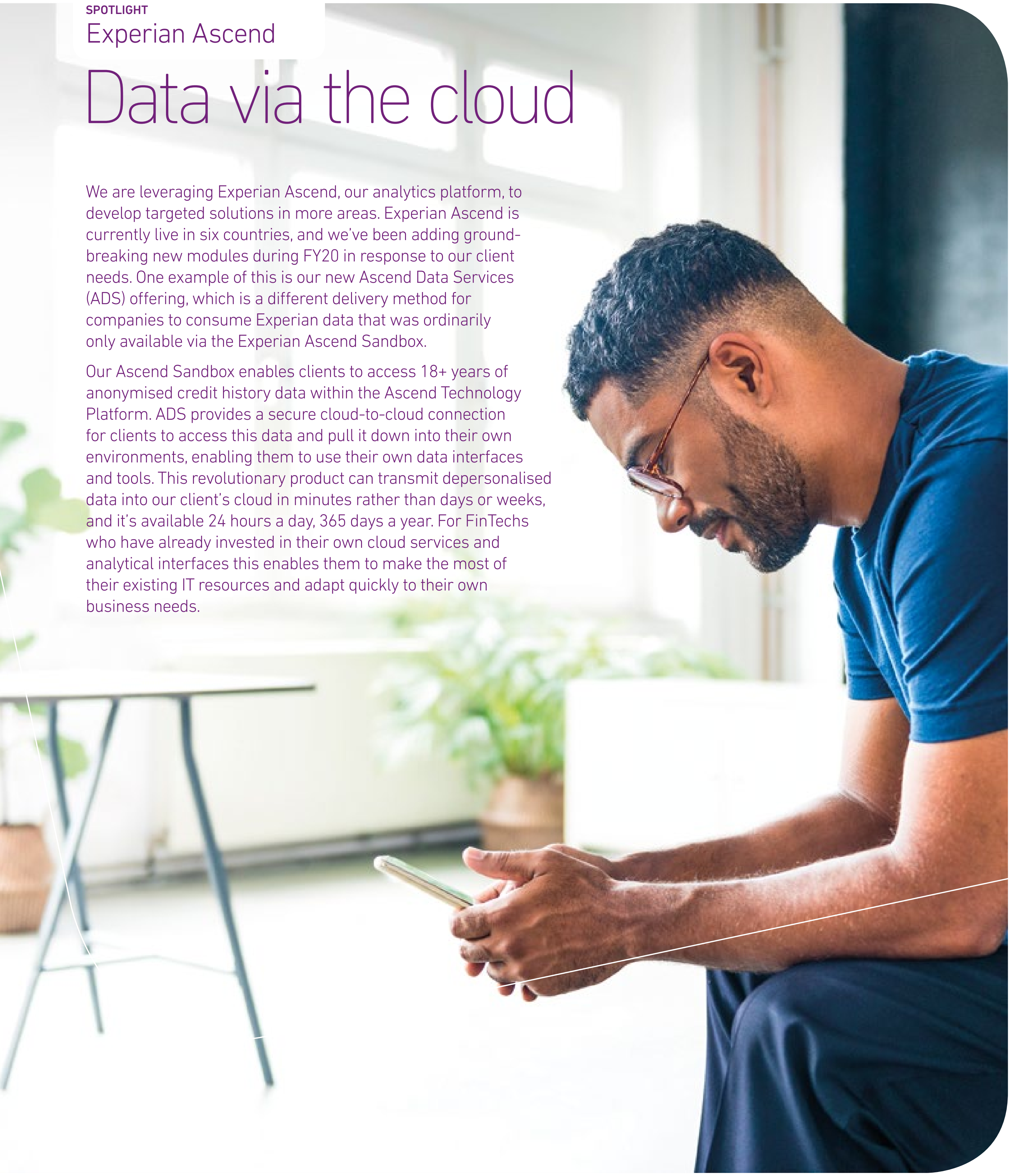
SPOTLIGHT

Experian Ascend

Data via the cloud

We are leveraging Experian Ascend, our analytics platform, to develop targeted solutions in more areas. Experian Ascend is currently live in six countries, and we've been adding ground-breaking new modules during FY20 in response to our client needs. One example of this is our new Ascend Data Services (ADS) offering, which is a different delivery method for companies to consume Experian data that was ordinarily only available via the Experian Ascend Sandbox.

Our Ascend Sandbox enables clients to access 18+ years of anonymised credit history data within the Ascend Technology Platform. ADS provides a secure cloud-to-cloud connection for clients to access this data and pull it down into their own environments, enabling them to use their own data interfaces and tools. This revolutionary product can transmit depersonalised data into our client's cloud in minutes rather than days or weeks, and it's available 24 hours a day, 365 days a year. For FinTechs who have already invested in their own cloud services and analytical interfaces this enables them to make the most of their existing IT resources and adapt quickly to their own business needs.



Our people and sustainable business

Improving financial lives

We are helping people take control of their data and improve their financial lives. In doing so, we enable people and businesses around the world to thrive – including our own.

Highlights in FY20

Our Impact Framework supports our purpose to create a better tomorrow by helping to improve financial lives through our people, products and profit. It focuses on key areas, namely improving financial access and education for the unbanked and underbanked.

1.5 million

New products like Experian Boost, Atlas and Ascend Analytical Sandbox are improving access to credit to help people get what they need to transform their lives and build their businesses. This year, Experian Boost helped 1.5 million people instantly improve their credit scores in the USA.

35 million

Since 2013, we have reached 35 million people through our social innovation products that are specifically designed to bring societal benefits by improving financial access and confidence – generating US$40m for our business.

7.5 million

In India this year, our Prove ID-Link social innovation product helped 7.5 million people prove their identity to help them gain access to essential services.

Carbon neutral by 2030

We reduced our absolute carbon footprint by 8% this year, and are committing to become carbon neutral in our own operations by 2030.

SecurityFirst

Our robust approach to data security and our global performance on cyber security are rated as advanced by a leading independent ratings firm. We continued to reinforce our SecurityFirst culture through systematic training for our employees and supplier assessments against our Third Party Risk Management Policy.

US$**422**m

In Brazil, our Limpa Nome debt recovery portal reached 5 million people and helped renegotiate unmanageable debts totalling US$422m this year. More than 300 Experian volunteers supported our Limpa Nome fair held in November 2019, which helped more than 2 million people renegotiate debts.

Our purpose

To create a better tomorrow for consumers, our clients, our people and communities.

As one of the world's largest data and analytics companies, Experian has a vital role to play in providing lenders with the information they need to offer wider access to credit at fairer and more affordable rates. Extending access to credit helps to drive social and economic development by enabling businesses to grow and families to pay for the essentials they need to transform their lives – from homes to healthcare and education.

We go further than this. We also enable people to take control and improve their financial lives by helping them to understand, manage and improve their financial situation, as well as protecting themselves and their data. This supports both individuals and businesses, which in turn plays a positive role in society.

Doing this has been a guiding light for Experian for several years. In 2016, we refreshed our brand and articulated our purpose. Since then, we have further refined our focus as we help consumers to take control of their data and put a greater emphasis on helping people to live better financial lives.

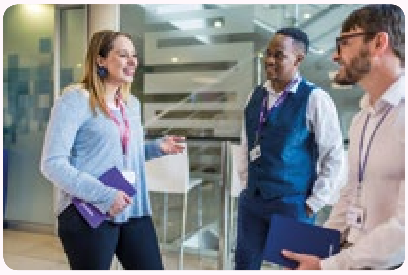
As part of our regular commercial activities, we help people to gain access to credit, safeguard their identity, save money, negotiate debt and improve their financial knowledge (see page 28). This also helps to positively support the communities we serve and contribute to the United Nations' global Sustainable Development Goals (SDGs). More information can be found in our Experian Sustainable Business Report 2020.

The COVID-19 pandemic has threatened not just health but financial health for many people. We are working to ensure our customers retain access to the mainstream financial system, to provide them with financial education, to uncover new and innovative solutions, and to support fair, affordable credit. We are providing guidance and online financial education sessions to help people deal with the financial challenges they face during these unprecedented times.

We are also investing in a financial education recovery programme to equip vulnerable communities and small businesses with the tools and education resources they need to take control of their finances after the COVID-19 crisis. This will include new and existing financial education tools and products, a dedicated social media hub and ongoing outreach, as well as partnerships with NGOs to help us scale our impact. See page 10 for more on our response to COVID-19.

We are entrusted with data on 1.3 billion consumers and 163 million businesses worldwide. Securing this data will always be of the highest priority for us, and we have robust systems and policies in place to do so. Loss or misuse of data is a risk we seek to actively mitigate, as we discuss on page 40.

Trust is central to the relationships we build with consumers, clients and other stakeholders. As a responsible business, we also seek to manage a series of ethical, social and environmental risks that could have an impact on society. We are committed to treating people well, managing environmental issues and working with integrity.



We are committed to treating people well, managing environmental issues and working with integrity.

Our people and sustainable business
continued

Improving financial lives

Around 1.7 billion adults around the world remain unbanked. Over 1 billion in Asia Pacific alone lack access to formal financial services. Millions more have no credit history, many of them in our key markets – including 40 million in the USA, 22 million in Brazil and 6 million in the UK. Many others do not have a strong enough history to get access to mainstream credit.

This ‘credit invisibility’ means millions of people are missing out on opportunities to improve their lives because they cannot access fair credit to buy a home, start a business, pay for healthcare or get a loan. By empowering them to build their credit profiles and take control of their financial lives, we can help them access these essentials and transform their lives. In doing so, we can also open the door to millions of potential new customers for us and our clients.

By putting consumer needs at the heart of our innovation culture (see page 20), we are creating solutions designed to meet specific challenges that consumers and clients face – including those related to financial exclusion.

This year, Experian Boost enabled more than 1.5 million people in the USA to instantly improve their credit score by adding positive data from on-time payments to their financial profiles (see page 29). In Indonesia, where 80% of people lack access to mainstream credit, our new Atlas platform is building a better data ecosystem to provide banks with the information they need to offer consumers access to credit at fair rates.

Our Ascend Analytical Sandbox is supporting businesses (large and small) by enabling banks, insurers, retailers and others to make faster and more informed lending decisions with greater accuracy. This in turn empowers consumers to access loans and essential services that can transform their lives, from mortgages and insurance to car finance.

We are applying the same customer needs-based approach to our Social Innovation programme. Through this programme, we invest in the development of new products specifically designed to offer additional societal benefits, while generating new revenue streams for our business. Our social innovation products have reached 35 million people and generated more than US$40m in revenue since 2013.

Some of these products are now well established and reach millions of people each year. This year alone, our Limpa Nome debt recovery portal in Brazil reached 5 million people and helped renegotiate unmanageable debts totalling US$422m, while Prove ID-Link helped 7.5 million people in India prove their identity to help them gain access to essential services.

Around the world, all our social innovation products aim to improve financial lives in some way – including helping people pay for healthcare and grow their businesses in the USA, understand and manage their financial profiles in South Africa or strengthen their credit history with positive data on rental payments in the UK.

Experian Boost enabled more than 1.5 million people in the USA to instantly improve their credit score this year.

Many of our community investment programmes also support financial inclusion, management and education, and our people contribute by volunteering their time and skills. This year, our social contributions totalled US$11.2m and our Experian employees volunteered nearly 54,500 hours of their time (in and outside working hours) to support our financial education and community programmes. For example, more than 300 Experian volunteers helped over 2 million people renegotiate their debts at the Limpa Nome fair in November 2019.

Our people volunteered over 3,500 hours in March to support their communities as the COVID-19 crisis took hold, including through innovative remote volunteering initiatives such as a desk-based Mapathon with our partner, Missing Maps, in Asia. We also contributed more than US$0.2m and free use of our products for charitable donations to local organisations providing support for communities during the pandemic, including personal protective equipment for hotspot hospitals.

In addition to improving financial lives through our people, products and profit, we are also advocates for appropriate regulations and support campaigns to raise awareness of specific issues. In Brazil, we supported the introduction of new legislation that will enable the use of positive data about bills paid on time. We expect this to transform the ability of lenders to assess credit risk and will extend access to credit to a wider range of the population.

Through our ‘Identities of the World’ campaign, we are collaborating with independent journalists to publish a series of powerful personal stories that raise awareness of the impact of financial exclusion. We are also conducting research to create a global index that will build understanding of the scale of challenges affecting people’s financial lives worldwide.

All our work to improve financial inclusion, management, education and security is helping to put people in control of their data so they can access the things they need to transform their lives. This also supports the future growth of our business as it helps to bring more people into the financial ecosystem as potential new consumers for us and our clients.

CASE STUDY:
Fairness-as-a-Service

Creating Fairness-as-a-Service

There is a growing public awareness that the computer processes relied on to make financial, healthcare, hiring or housing decisions may suffer from unintentional bias. These automated systems, often introduced for cost efficiencies and handling of complex datasets, could be making decisions that are inadvertently sexist, racist or discriminatory.

Ensuring fairness in Artificial Intelligence is scientifically a really hard thing to do. Our team has worked on this complex problem for two years and is determined to help address this growing societal and regulatory need.

Javier Campos Zabala
General Manager, Experian UK and Ireland DataLab

As experts in data and analytics we are alert to this problem and want to help remove the bias and discrimination in machine-learning systems.

Unfairness may come from multiple sources, including the underlying algorithm as well as from the data introduced during development. During its training phase a machine-learning algorithm may become 'tainted' with historical bias because its learning from historical data is already inherently biased from when these decisions were made exclusively by humans. Or skewed samples may be used during testing, for example when a pharmacological company develops new drugs and vaccines their trials may include people who are not fully representative of society. This could potentially lead to the use of drugs that work better on that certain portion rather than the broader population.

To tackle this problem our UK DataLab has created and patented the first end-to-end Fairness-as-a-Service platform.

It provides a unique combination of a decisioning platform, normative data and state-of-the-art algorithmic expertise, that helps answer the question 'What is fairness in AI?'.

It will help banks, consumers, regulators, universities and large organisations to:

1. **Evaluate fairness** – how fair is their data and model
2. **Explain models** – do they understand their model's predictions globally and also at an individual basis
3. **Train fair models** – so they are both predictive and fair
4. **Apply fairness** – so they can update their models to make them fair, as well as amend models' decisions to make those decisions fair.

Not only are we helping address an urgent societal and regulatory need, but this is a massive advance in a new area of AI research and applies to the full spectrum of algorithms from Logistic Regression to Deep Learning.

Si Ramo Prize

Fairness-as-a-Service was the winner of the **2019 Experian Si Ramo Prize competition for Scientific Excellence**. The Si Ramo Prize recognises the very best practitioners, and their innovative projects, who demonstrate excellence in technology and science.

Our people and sustainable business
continued

Corporate responsibility governance

We have introduced a new cultural approach to put client needs first and foremost in our product innovation. We also build the management of critical issues such as data privacy, security and accuracy into our products and processes. The Executive Risk Management Committee (ERMC) oversees how we manage risks globally, including environmental, social and governance risks (see page 63).

Our Impact Framework supports our corporate purpose to create a better tomorrow by helping to improve financial lives through our people, products and profit. Our corporate responsibility programme is overseen by the Company Secretary, who sits on the ERMC. A central team and a network of regional corporate responsibility leads, specialists and steering groups across the business manage our social innovation, community investment, health and safety, and environmental programmes and impact. The Board receives regular reports on the activity undertaken in these areas.

Metrics from each region are monitored and reported each month, and aggregated global data is reported publicly on an annual basis. We are currently developing new metrics to more effectively measure the impact of our products and programmes on financial lives and our contributions to SDGs.

Safeguarding data security

We hold vast amounts of data about people and businesses, and we take our responsibility as stewards of that data very seriously. The loss or inappropriate use of data and systems is one of our principal risks (see page 66) and could result in material loss of business, substantial legal liability, regulatory enforcement actions and significant harm to our reputation.

Our approach

We invest heavily in cyber security and have dedicated teams, state-of-the-art technology and robust due diligence procedures to deal with potential threats. Our security approach has three tiers: preventing threats from entering our system; detecting when a threat is in our system; and mitigating threats by minimising the potential to extract valuable information in case of a breach.

We have controls in place to check for compliance and constantly scan for potential threats, with several layers of protection for our data assets (see diagram below). Our Global Security Operations Centre has teams in Malaysia, the UK and the USA working to identify suspicious or malicious activity around the clock, with support from automated tools and artificial intelligence. Our incident response team is ready to take action to eliminate any threats that are identified. Our in-house team of forensic data experts manages a suite of incident response tools and we draw on external expertise where needed.

Research shows that a majority of data breaches involve some human interaction, which could be as simple as clicking a link in an email or browsing the internet. Our email and web browsing controls protect against this kind of malware. We gather intelligence on evolving cyber threats to help our security teams stay ahead of them. We share our knowledge through our annual Data Breach Industry Forecast to help other businesses and consumers keep their data safe too. Text-based 'smishing' identify theft, use of drones to hack mobiles and deepfake technology are among the greatest threats forecast for 2020.

We have a global data breach plan and run simulated exercises for cyber security teams and senior leaders across various functions. We perform regular risk assessments and vulnerability checks on critical systems and undergo external cyber security audits every year. Our performance is rated as advanced by a leading independent cyber security ratings firm.

We integrate security into every project from start to finish. Everyone involved in product development is responsible for embedding security considerations into the lifecycle of a product. Our processes, including manual penetration testing, are designed to discover, detect and remediate security threats from the first concept for a new product or solution all the way through the coding, build, quality assurance and production stages.

Security governance

We have clear lines of responsibility and accountability for data security. The Security and Continuity Steering Committee oversees our approach to keeping data secure and protecting consumer information. The committee reviews monthly metrics related to security tools, compliance and completion of training by employees. Our Audit Committee receives progress reports at every meeting.

Protecting our perimeter

We have a defence-in-depth approach to protecting our critical data assets, which provides multiple layers of control and protection.

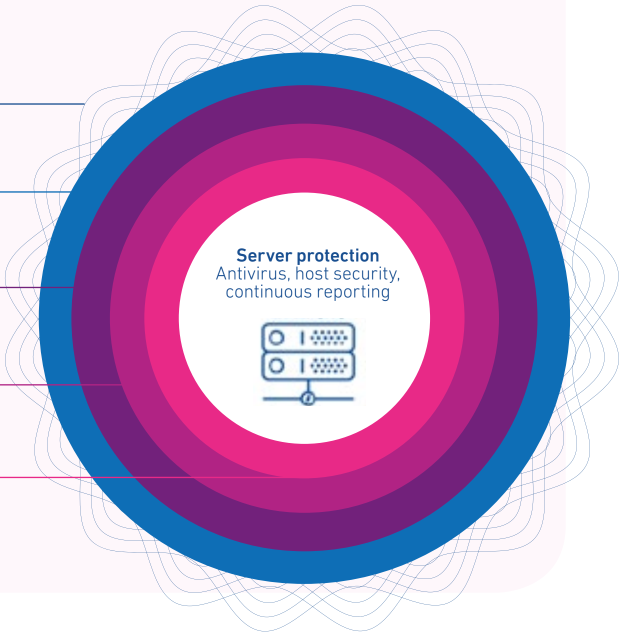
Perimeter scanning
Scanning the perimeter for open access and scanning applications for regulatory compliance

Firewall
Blocks unauthorised access while permitting outward communication

Intrusion Prevention System (IPS)
Examines network traffic flows to detect and prevent vulnerability exploitation

Web Application Firewall (WAF)
Filters, monitors, and blocks HTTP traffic to and from web applications

Realtime Application Self Protection (RASP)
Detects and blocks computer attacks by taking advantage of information from inside the running software



We hold vast amounts of data about people and businesses, and we take our responsibility as stewards of that data very seriously.

The Chief Information Security Officer has overall responsibility for Experian's global security strategy and our Global Security Office (GSO) sets relevant policies and standards – including our comprehensive Global Security Policy and controls, which are based on the internationally recognised ISO 27001 standard. Our robust information security programme is based on industry-recognised procedures such as the US National Institute of Standards and Technology (NIST) framework.

Our security, audit and risk teams work together to continually improve our assurance capabilities and test the effectiveness of our controls. We apply our Three Lines of Defence model for risk management (see page 64), which includes review by Global Internal Audit and oversight from the Board. We investigate any potential policy breaches and take disciplinary action where appropriate.

To identify any potential risks, before an acquisition, the GSO conducts due diligence, followed by an in-depth post-acquisition security assessment which is then reviewed by Global Internal Audit. When it is necessary to provide third parties with access to our data and systems, the GSO ensures that such access is provided in line with our information security requirements. We also extend stringent standards on information security to our suppliers and partners through the terms of our contracts (see page 45).

Our information security culture

Keeping data safe is everyone's responsibility at Experian. Our Security Risk Management and Governance Policy sets out clear requirements for employees and business units. We educate employees and continually enhance our security infrastructure and practices across the business through our SecurityFirst programme.

Our people are our greatest security resource and we invest significant time and resources into our information security awareness programme. All Experian employees are required to complete mandatory annual training on information security and data protection. Those in higher risk roles receive more in-depth training, including Secure Software Development training for those involved in product and software development.

We offer more than 250 training courses on keeping information safe across various web, mobile and desktop platforms, applications and software. Training metrics are tracked weekly to monitor compliance and shared monthly with the Security and Continuity Steering Committee.

We run monthly campaigns using emails, posters and in-person workshops to reinforce the message that security comes first in everything we do and to raise awareness across the business on specific security topics. This year, topics included basics such as keeping desks clear and locking screens when not in use, tips for staying safe online and safeguarding against malicious social engineering. We also reiterated the importance of reporting incidents through our 'see something, say something' campaign.

Protecting data privacy

Protecting consumer privacy is extremely important to us. We have programmes in place to evaluate every product and service to ensure we strike the right balance between consumers' privacy expectations and the economic benefit to both consumers and clients.

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

We have a comprehensive data protection programme in place, which details the steps we take to mitigate data protection risks, and what is expected from our employees. Our Global Information Values define how data must be secured, managed and used. We update our data processes in line with evolving regulations such as the EU General Data Protection Regulation (GDPR) in Europe, the California Consumer Privacy Act in the USA and the Brazil General Data Protection Law. We respond to government consultations and engage with regulators as privacy regulations and guidance evolve.

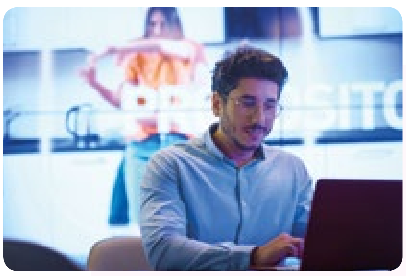
We strive to be transparent about the information we collect from consumers and third parties, and how that data is used and shared. Consumers can find out more about how we handle their data on the global privacy policy pages of our website. This year, we have continued to improve and strengthen our internal privacy controls, documentation and evidence to ensure our data processing is transparent to consumers. In the UK, our new public Consumer Information Portal explains in detail how we process data and allows people to opt out of marketing campaigns. We conducted research with consumers to test the portal, making it more transparent and user-friendly.

Improving data accuracy

The accuracy of consumer credit reports depends on the accuracy of the data used to compile those reports. We recognise how important this is for consumers. Ensuring the data we collect and use is correct – and that information we provide to clients is used fairly – is fundamental to our reputation and business success. We have tens of millions of direct consumer relationships and our customers demand accurate data. We constantly strive to increase the accuracy of our data in a competitive market to prevent customers going to other data providers.

We have taken significant steps over the last few years to improve the accuracy of consumer credit reports. We only use data from reputable sources and our quality control procedures help us to identify inaccurate or out-of-date information before it is added to our databases.

We assess the accuracy of the consumer credit information that we get from data providers and work with them to improve the quality of the data they contribute to Experian. We also provide tools to help data providers check data before they submit it to us to help them meet our data quality standards. If data providers are unwilling to implement improvements to meet our standards, we will no longer source data from them.



Keeping data safe is everyone's responsibility at Experian. Our Security Risk Management and Governance Policy sets out clear requirements for employees and business units.

Our people and sustainable business
continued

Over 29,000
pieces of feedback have been exchanged via feedback.me

Our platforms enable us to monitor and measure data accuracy on a continuous basis. In the USA, where data accuracy is a particularly significant issue for stakeholders, we have taken steps to strengthen our procedures, including for record matching and ensuring customers' health insurance payments are properly reflected in medical debt records.

We have processes in place for consumers to dispute information in their credit report that they believe is inaccurate. In the USA, our dispute centre makes it easier for people to file a dispute about credit information and get it corrected quickly. It can be accessed online or via a mobile app. We monitor how data providers deal with disputes and how they remediate them to improve accuracy of their data. Many of our products also empower consumers and businesses to protect their data and check for any inaccuracies in their financial profiles.

Inspiring our people
At Experian we're driven by the ambition to grow and be the very best we can be. This ambition is what shapes our plans for our people. We focus on hiring and developing the finest talent to be part of our high-performing, innovative and inclusive culture – ensuring we have the right people, doing the right things, to support our plans to grow. This year our people priorities were to:

- Attract and hire the very best diverse talent through world-class talent acquisition and onboarding
- Embed a high-performing and inclusive culture to retain the best talent
- Futureproof Experian with the right workforce skills and capabilities to maximise our growth potential.

Attracting and hiring the very best talent
Attracting and hiring world-class talent is critical to achieving our ambition. To attract great people, we need a compelling employer brand and strong presence on social media so that we stand out in a competitive talent market. This year we launched #UniquelyExperian – a social media hashtag and marketing campaign through which current employees can connect and share their authentic stories, while prospective employees can gain insights into life at Experian. The impact of #UniquelyExperian is already apparent, with our social media following increasing by 60%, now at over 800,000 followers, and careers website traffic increasing by 200%.

Social media following increased by 60%, now at over
800,000
followers

We have rebranded and simplified our job application process to create a frictionless candidate application experience. We focus on creating 'wow' moments for candidates – personalised experiences that show we value people from the very beginning of their Experian journey. We're already seeing the positive impact to this through a 2% increase (to 94%) of favourable feedback in our new-joiner survey and 74% favourable feedback from unsuccessful candidates. We have also built a slicker onboarding process, which managers and employees are now benefitting from, shown in a 3% increase in positive feedback from our onboarding survey, which is now 85% favourable. These strong internal indicators are matched by equally compelling external measures, such as our Glassdoor rating[1], which is currently sitting at 4.0 out of 5.0, a 38% increase since 2015.

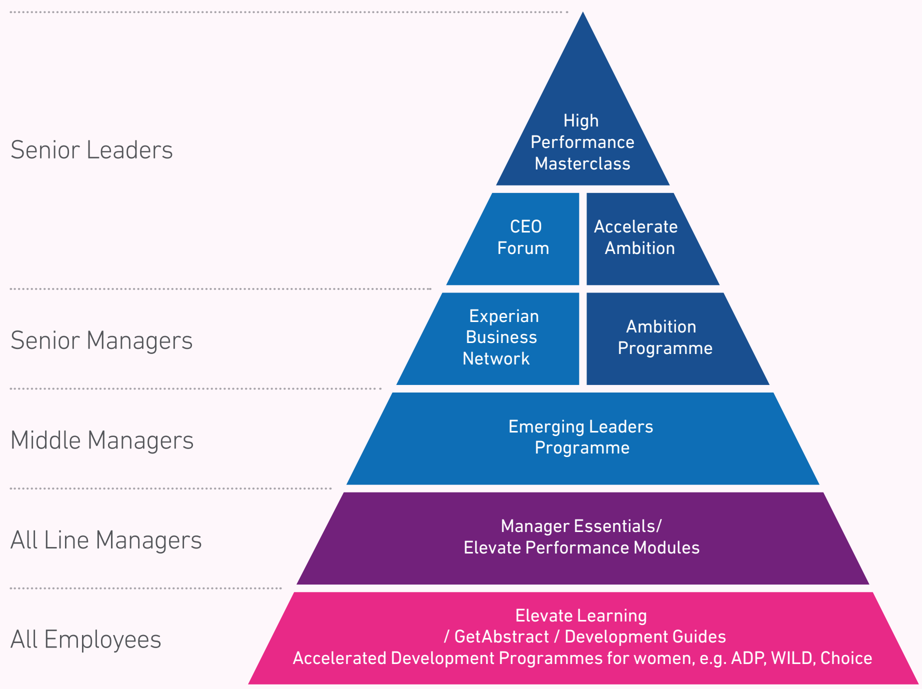
To attract the very best talent we must tap into a broad and diverse pool. In order to ensure we're doing that, we've made advancements using artificial intelligence technology to build Lingo, an in-house tool that scans job specifications for gender-biased language. This broadens our appeal to males and females alike and opens up our talent pool. We also increased our presence at female-focused external events, such as the Grace Hopper Conference, USA and Women in Data, UK. These events widened our access to, and profile with more than 25,000 talented women in technology and data. Currently, while 37% of our applications are from women, we offer them 42% of our roles.

Creating a high-performance culture
We're proud of the high-performance culture we've built. This year we've worked hard to ensure this high-performance focus is experienced at all levels. We ran the fifth cohort of our High-Performance Masterclass for a further 15 outstanding individuals and built on this with the launch of the Accelerate Ambition programme, designed to reach an additional 150 Senior Leaders. We also completed the roll-out of the Ambition programme for 1,700 Senior Managers. These programmes offer skills and techniques for maximising performance within teams. They combine dynamic face-to-face events with leading-edge online material and we use diagnostics to measure participants' impact on multiple elements of high performance, including collaboration. Individuals are asked to score the face–to–face sessions out of ten; each session has scored 9.2 or higher.

To provide all of our employees with the right level of support to achieve high performance, we expanded our suite of online tools, under the internal branding of Elevate. Through our Elevate Performance system we transformed our performance management approach, moving towards a more agile model in which leaders and teams assess their performance

1 Glassdoor ratings are determined by employee feedback left at www.glassdoor.com. Experian had 2,636 reviews as at the end of March 2020.

Experian talent development opportunities



External recognition across the globe

on an ongoing, rather than annual, basis. We also now focus on fewer goals with greater impact. Employees are encouraged to drive their own goals and development within a flexible system that enables them to do so in sync with the operating rhythms of their team. 82% of employees have already recorded their goals and progress in the system.

One of the keys to high performance is being able to truly understand your performance gaps through real-time feedback. This year we launched 'feedback.me', a new app developed in-house. It is designed to allow employees to share and request feedback, at any time from their colleagues within Experian. This moves us away from point-in-time assessment and feedback, towards a workforce that is continuously improving and growing. To date, over 29,000 pieces of feedback have been exchanged.

We created a significant shift in our approach to continuous learning. Traditional face-to-face courses are rapidly diminishing in number and importance; employees now demand in-the-moment learning and content that is bite-sized and available on demand. Our Elevate Learning platform has been launched to enable this and uptake has been strong, with over 900,000 learning hours being completed in the last year. The platform also facilitates learning communities; employees can interact in online forums to build and share knowledge. Learning playlists can be curated, shared and accessed by anyone in Experian and to date our employees have created over 2,000 of these.

Stepping Stones, an internal development platform, provides access to a suite of developmental opportunities, such as job shadowing or gaining experience in another team. It has recently been enhanced to include 'gigs' – enabling our people to match their skills to short-term projects in order to build and apply skills in ways they may not have the opportunity to do in their current roles. These new types of development have been received well: 75% of our employees believe they have good opportunities for learning and development at Experian (7% above HPN[1]).

Employees' well-being is central to our success as a high-performing organisation – people who feel supported in their personal lives are able to bring their best to their work lives. We have trained Mental Health First Aiders across our offices and ran over 100 health assessments in the UK in January, providing people with an immediate mini health check. We also launched YourChoice in Asia Pacific and You+ in the UK. Both these tools make it easy for employees to access reward, health and emotional well-being resources digitally and flexibly, whenever and wherever they need them. We also have Employee Resource Groups (ERGs) in place to support our people's mental and physical health. Newly created this year, the Aspire ERG in North America addresses mental health issues, advocates for those with disabilities and supports caregivers. In the UK and Ireland 'everyMIND' has been launched, a mental health network to raise awareness and combat stigma.

The main way we track culture is through our employee listening strategy – a series of surveys taken at key points in the employee lifecycle, which allow us to hear the 'employee voice'. To strengthen this strategy, this year we introduced a candidate survey that assesses the experiences of unsuccessful candidates. Our next annual People Survey will be rolled out on a new digital platform, providing access to real-time results, an improved user experience, and interactive dashboard functionality for reporting.

We now have
28
Employee Resource Groups across the world

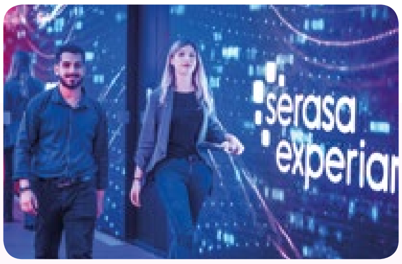
We are proud to be a business in which employees willingly share their views – with 88% of employees responding to our most recent annual People Survey. Our Engagement score improved again this year and is now 76% favourable. We achieved very strong results for: understanding our brand (90% positive) and belief in our strategy (78% positive; 2% above HPN). This year we added a new question about innovation – with 77% of participants (13% above the general industry norm[2]) saying they believe Experian is innovative in developing new products and services.

There was a 1% increase in our Enablement score (how able employees feel to do their best work) but we continue to focus on dismantling the barriers people tell us they face. This year we delivered significant change in the employee experience of technology. We launched Tech Bars, where employees can get immediate, in-person support with technical problems, while the introduction of a chat function has improved the Helpdesk experience. In addition, we're simplifying our systems and processes, using the skills of our dedicated continuous improvement team, EmPower, and exploring how robotics can be used to further automate processes. Across Experian, 1,000 employees have been 'EmPowered' to use process improvement tools and methods to lift productivity and improve customer experience.

1 Korn Ferry 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.

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

Our people and sustainable business
continued



Gender diversity

	Female representation
Total workforce	**44%**
Senior Leadership positions	**30%**
Mid-Tier Leadership positions	**35%**
Executive committee and their direct reports	**30%**

Our ongoing priority is to nurture our female talent pipeline and we have a number of female development programmes in place to do this. This year, the Accelerated Development Programme (ADP) in Global Decision Analytics kicked off its third cohort, designed to accelerate talented women in the organisation. In Asia Pacific, the Women in Leadership #DiveIn (WILD) programme completed its first full cycle with four talented women already promoted. The Choice programme in the UK and Ireland has provided deep group coaching and interactive teaching to 14 high-potential women. In addition, Experian IT Services ran Accelerating Women Leaders in Technology, a three-month development programme, including assessments, workshops, coaching and self-paced learning. Finally, sponsorship of strong female talent continues across all our regions.

Celebrating our inclusive culture

Our richly diverse and inclusive environment sets us apart from many other organisations, and drives innovation and competitive advantage. 89% of our people believe Experian is committed to creating a diverse and inclusive workplace (23% above the industry norm) and 85% believe their manager values individuals with diverse backgrounds and perspectives in their work group. These scores reflect the passion and energy our people have around our inclusive culture. We now have 28 ERGs across the world – all created and driven by our employees, with several newly created ERGs launched this year. The Early Careers Network in the UK and Ireland aims to provide tailored networking and development opportunities to those starting their careers with us. In Asia Pacific we launched the Superheroes League, an inclusion group that aims to broaden understanding of gender, age, race, nationality, sexual orientation and disability. Last year they held over 60 events for employees to raise awareness across these areas. Many events and traditions are celebrated locally, but we also celebrate certain important international diversity events globally. These include: International Women's Day, International Men's Day, Pride, International Day of Persons with Disabilities and World Mental Health Day.

Our focus is being recognised externally with a number of accolades in FY20. These include but aren't limited to: a Fortune Best Workplace for Diversity award in North America; inclusion on the Financial Times' 2020 Diversity Leaders list; inclusion on Fortune's '100 Best Companies to Work for in 2020' list in North America and Top 10 Employer for Working Families 2019 in the UK and Ireland and EMEA. This year, we were accredited by the Top Employers Institute in six countries: Australia, Bulgaria, Singapore, South Africa, Spain and the UK.

Futureproofing the business

The world is changing at a rapid pace, and to stay at the forefront of our sector we need to get the right people with the right skills, in the right locations. Our workforce planning approach has enabled us to forecast demand across the skills that are key to fuelling our future growth. Recognising that 'build' is as important as 'buy' when it comes to finding and retaining exceptional talent, we created career pathways for our Software Engineering and Analytics groups to grow their skills and career aspirations, including as individual contributors. We're currently expanding this approach into our Sales and Product teams. We have already made significant progress in acquiring world-class technical talent and established new technical hubs in locations such as San Jose, USA and Hyderabad, India to attract emerging technical talent. We're embedding agile ways of working across the organisation and have built an Agile Learning Centre on our digital learning platform, providing a common approach to Agile methods and tools.

Being future-ready is critical, so succession planning remains a priority for us. 77% of our top-100 leadership roles have at least one identified successor ready now or within two years. Three-quarters of our Senior Leader appointments this year came from the Experian internal talent pool (a 19% increase compared with FY19). We're committed to identifying and nurturing talent at all levels: currently 34% of our leaders show strong potential to fill more senior roles in the near future. As a global organisation, we're able to offer international experience to our top talent. In FY20 we arranged 138 international moves – 56% as assignments and 44% as permanent transfers. Our commitment to developing talent is significant and this year we invested US$9.6m in learning and development. This investment is critical to retaining our top talent and our voluntary turnover has continued to fall throughout FY20. It is now below 11.5% which positions us well against our external peers.

Upholding high ethical standards

Working with integrity is one of our core values and is fundamental to maintaining our reputation for high standards of conduct. Our Global Code of Conduct sets out clear ethical standards to help everyone at Experian make the right decisions, in line with our One Experian way of working. A breach of our ethical standards could cause reputational, legal and operational risks to our business, and undermine our relationships with clients, shareholders and consumers.

The Global Code of Conduct is supported by detailed policies covering specific topics such as anti-corruption, gifts and hospitality, fraud management, complaint management, fair treatment of vulnerable consumers, product development and marketing, whistleblowing and tax. Our compliance culture is reinforced by our Three Lines of Defence risk management model.

We expect managers to be positive role models for ethical behaviour and require all employees to complete annual compliance training. We make sure that they do so through our performance review process. We encourage people to report any suspected policy breach or unethical activity through our 24-hour Confidential Helpline, anonymously if they choose, without fear of reprisals.

Anti-bribery and corruption

Our Global Anti-corruption Framework prohibits facilitation payments, kickbacks or any form of bribery or corruption. The accompanying detailed Global Gifts and Hospitality Policy sets out strict ethical standards relating to gifts, entertainment, hospitality, sponsorship, travel expenses and donations. We also have controls in place to ensure that any sponsorships, charitable contributions, lobbying or political donations comply with all relevant laws and are conducted ethically.

We apply a zero-tolerance approach to bribery and corruption throughout our supply chain. To work with us, suppliers must accept our ethical standards or confirm they have equivalent standards in place. We conduct risk assessments and any suppliers identified as high risk for bribery or corruption are referred to the Compliance team for further due diligence, including an assessment of corruption, regulatory and reputational risks.

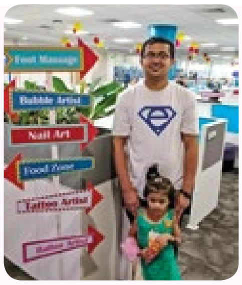
Our Finance and Global Sourcing teams have training and controls to detect and stop improper payments, with support from our Global Internal Audit team. If we identify any concerns through audits, self-assessments or our Confidential Helpline, we promptly investigate them and take appropriate action if necessary. We also follow robust due diligence procedures to identify any risk of improper payments during mergers and acquisitions or when we enter into joint ventures.

Respecting human rights

We are committed to respecting human rights and we do not tolerate any infringement of these rights in our business or our supply chain. Our Global Code of Conduct and other related policies align with the United Nations Universal Declaration of Human Rights. We include human rights in our annual training on the Global Code of Conduct for employees to raise awareness of potential risks. Employees also receive a briefing highlighting the risks of modern slavery and how to report concerns.

We are committed to treating all our people fairly and with respect. In the UK, Experian is an accredited Living Wage employer. This means we go beyond the national minimum wage set by the government and pay employees what the Living Wage Foundation has calculated as the rate people really need to live on.

Our suppliers are contractually obliged to protect workers' rights and freedoms – and to require their subcontractors to do the same. We monitor modern slavery risks in our supply chain and our procurement teams get in-depth training to help them spot any potential risks and understand what to do if they have



Celebrations

Our people go all out to recognise global and local events.

concerns. We conduct risk assessments of our suppliers and undertake further due diligence if needed, including engaging with suppliers to make sure they address any issues identified. Our Slavery and Human Trafficking Statement provides further information about our commitment, policies and actions to tackle modern slavery risks in our business and our supply chain.

Experian is a founding member of the Slave-Free Alliance, which brings together businesses working towards a slave-free supply chain. We worked with the Slave-Free Alliance to undertake a comprehensive assessment of our approach to preventing modern slavery in our supply chain and develop a three-year improvement plan. We are also working with our charity partner, Hope for Justice, to support survivors of modern slavery, who often find they have been the victims of fraud and identity theft. Together, we are helping survivors gain access to bank accounts, view their credit reports and resolve unfair debts.

We are exploring ways to use data to contribute to wider efforts to tackle modern slavery and support the United Nations' goal of eradicating forced labour. Our DataLab in Brazil is working with the United Nations University Centre for Policy Research to establish an analytical sandbox to understand vulnerabilities to modern slavery in supply chains and how best to address these. We have also partnered with the University of Nottingham's Rights Lab on a project that aims to use data and analytics to help police forces in the UK identify geographic locations that may be vulnerable to modern slavery. We have agreed to support the Rights Lab's next phase of development.

Partnering with suppliers

All suppliers must comply with our Supply Chain Principles, which are clearly communicated on our website. Our contracts require suppliers to confirm that they accept our minimum requirements for ethical, labour and environmental standards or have their own equivalent standards in place.

Suppliers and other third parties must undergo due diligence before we work with them and our Three Lines of Defence controls support compliance. We also use data from news sources around the world to help us monitor risks in our supply chain. Monthly reports on key suppliers are shared with our procurement teams and supplier relationship managers to alert them on any issues.

We assess and monitor all suppliers for corporate responsibility risks such as bribery and corruption and modern slavery. Managing data security and privacy risks is central to our third-party risk management framework.

Risk management and compliance are included alongside commercial factors in our supplier selection process. All the third parties we work with – including suppliers and indirect clients – must undergo a risk assessment process that is overseen by our Third Party Risk Management team. We assess them for security risks, as well as business continuity, compliance and reputational risks.

We tailor the level of oversight to the risk profile of each supplier, which is assessed through an initial risk stratification questionnaire based on factors such as the type of service they provide and the type of data they have access to.

CASE STUDY:
Modern slavery

Using data science to help end modern slavery

Slavery is a blight on modern society, it steals lives and kills dreams. We're applying the power of our data capabilities and analytics to support the fight to eradicate it.

Shanji Xiong
Chief Data Scientist, Experian DataLabs

Slavery sounds like a concept from a movie. But it isn't, it exists now. Today, 40.3 million people, or 1 in every 190 people, are under threat or coercion to work for little or no reward. They are in forced labour in clandestine factories, on construction sites, farms, or fishing boats or trafficked for sex work or domestic servitude. Often, too, the products they make and the services they provide end up in apparently legitimate commercial channels. We want to help stop this hidden misery and we are uniquely positioned to address this problem by using our expertise in data and analytics.

We are collaborating with the United Nations University Centre for Policy Research (UNU-CPR) and other organisations, to identify specific projects that we can support and accelerate with the use of computational science and artificial intelligence. One of these projects is the development of an anti-slavery data analysis sandbox.

Our powerful Ascend data sandbox tool is ideal to tackle a problem that spans geographic locations and industries. With an easy-to-use dashboard and the ability to sift through two petabytes[1] of data in seconds, government agencies will be able to quickly analyse millions of labour department data records. From this we believe that they will be able to more easily identify locations and businesses where modern slavery is most likely to be occurring, allowing them to allocate their resources more effectively and prioritise investigations to help save more people.

We support Target 8.7 of the UN Sustainable Development Goals and are determined to play our part in ending modern slavery.

1 Equivalent to 2 billion gigabytes.

If we identify any gaps in controls, we log these in our global centralised governance, risk and compliance system, and track issues through to resolution. We will not work with – and routinely reject – third parties that do not uphold our standards on critical issues, such as security.

Protecting the environment

As an information services business, we have a relatively small environmental footprint compared with many other industries. Our biggest impact relates to greenhouse gas emissions from energy used to power, heat and cool our buildings and data centres, and from business travel.

We follow the recommendations of the Task Force on Climate-Related Financial Disclosure and have aligned our reporting with them.

Climate strategy

Climate change presents regulatory, physical and reputational risks to our business. In the short and medium term, these include: rising energy costs and related taxation, needing more energy to cool our operations as a result of rising global temperatures, disruption from extreme weather events such as flooding, and reputational damage if we fail to respond to increasing regulations and stakeholder concerns about climate change. Over the longer term, mass migration of climate refugees could lead to challenges with data transfer as well as potential to provide solutions that support these vulnerable communities in rebuilding their financial identities.

We also see potential to use our data and expertise to help others mitigate and adapt to climate change. This could result in opportunities to increase revenue from products that help our clients reduce their carbon footprint or better understand the impact of extreme weather on communities. We are already developing new products and services to help farmers affected by climate change to access insurance (see case study included on page 48).

We recognise the urgent need for all businesses to accelerate their response to the climate change emergency and we must do our part. That is why we are committing to:

- Become carbon neutral in our own operations by 2030
  - This year we will undertake a project to assess whether we can achieve carbon neutrality sooner than this and will put in place a robust timeline (including science-based targets) based on the results
- Gradually carbon offset our scope 1 and 2 emissions over the next five years.

To become carbon neutral, we will need to increase our efforts to reduce the footprint of our buildings and data centres, switch to using more renewable energy, cut the carbon impact of business travel and invest in high-quality carbon offsetting projects to offset any remaining emissions.

Governance and risk management

Climate-related risks are identified, addressed and managed as part of our global risk management process.

See more on page 64

Risks are assessed at project and regional level, overseen by the Strategic Project Committees and Regional Risk Management Committees that report to the Executive Risk Management Committee. The Board has oversight of climate-related issues along with the Audit Committee, which oversees mitigation strategies for global risks, including climate change.

Our environmental management systems help us continually improve our performance on climate and other environmental impacts. Four of our sites in the UK and Bulgaria are certified to ISO 14001:2015 and we adopt the principles of this standard across all our operations. Moving data storage to the cloud also helps to mitigate the risks of extreme weather events and we have plans in place to minimise flood risks.

Metrics and targets

As part of our strategy to tackle climate change, we are in the process of setting specific science-based targets in line with the Paris climate agreement to keep global warming well below 2°C. We are also working on further analysis of our Scope 3 emissions. We measure and publicly report our carbon footprint (see table below).

In the last year, we reduced our absolute carbon footprint by 8% from 47.7 to 43.7 thousand tonnes of CO_2e, and cut the carbon intensity of our business by 14% per US$1,000 of revenue from the previous year. We did this by improving energy efficiency in our buildings and consolidating offices. This year, we also sourced 29% of our worldwide energy from renewable sources.

Engaging employees

We engage employees around the world to take steps to help us reduce our environmental impact, from turning off lights to switching to greener transport options. This year, employees in the USA launched the 'Creating a greener tomorrow' club to encourage colleagues to make greener choices. In the UK, we partnered with Nottingham City Council to respond to employee demand for more cycling facilities at work and arranged for employees to access electric vehicle charging points at a nearby council-owned site.

In Brazil, 85% of our employees took part in a campaign to recycle office waste and reduce single-use plastic. Everyone who took part received a reusable bamboo cup.

- Globally, we are committed to eliminating as much single-use plastic in Experian-controlled facilities as possible in the next two years.

Our carbon footprint

Year ended 31 March		**2020**	2019	2018
Scope 1	Thousand tonnes of CO_2e	**3.0**	3.6	3.9
Location-based Scope 2	Thousand tonnes of CO_2e	**25.5**	29.8	33.0
Scope 1 and 2 normalised by revenue[1]	Kilograms of CO_2e per US$1,000	**5.5**	6.9	8.0[2]
Scope 3	Thousand tonnes of CO_2e	**15.2**	14.3	14.1
Total emissions	Thousand tonnes of CO_2e	**43.7**	47.7	51.0
Total emissions normalised by revenue	Kilograms of CO_2e per US$1,000	**8.4**	9.8	11.0[3]
Total energy consumption in the UK[4]	Million kWh	**27.2**	29.5	29.9

1 Using location-based emissions.
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 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.
3 The FY18 intensity metric based on revenue has been restated following the adoption of IFRS 15. See note 3 to 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.
4 Includes scaled data for electricity, gas, diesel used in generators and district heating consumption in the UK.

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). This year, due to the impacts of COVID-19, we have adjusted the calculation for March 2020 data. Detailed information on our calculations can be found on the 2020 Reporting Principles and Methodologies document, available at www.experianplc.com/responsibility/data-and-assurance.

CASE STUDY:

Agri X

Supporting smallholder farmers in a changing climate

87%

Asia is home to 87% of the world's 500 million smallholders

We are developing social innovation products to help farmers affected by climate change access affordable insurance.

Millions of smallholder farmers in developing countries struggle to make ends meet between harvests because they lack access to mainstream financial services. Climate change is making their lives harder as crops are devastated by increasingly unpredictable and extreme weather.

Smallholders are often forced to borrow from unregulated lenders at exorbitant interest rates or sell their future harvest cheaply ahead of time – losing up to half their potential annual income as a result. This can turn into a vicious cycle as they cannot invest in better seeds or fertiliser to boost their productivity and income.

At the same time, lenders and insurers are missing out on a largely untapped customer base because they don't have enough information about these smallholders to confidently offer them loans or insurance.

We see an opportunity to connect them – and create a new revenue stream for our business. Through our Social Innovation programme, we're piloting a new solution that aims to build financial security and resilience for smallholders in Asia, which is home to 87% of the world's 500 million smallholders.

Our Agri X automated platform will give lenders and insurers the information they need to offer their services to smallholders, and it will help farmers get access to affordable finance and insurance to help boost their productivity and protect them from climate threats.

Non-financial information and s172(1) statement

We report in line 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 pages 18 to 23. 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 63, 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 list of principal risks starting on page 66 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 15), and we talk on pages 42 to 44 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 15). See also page 47 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 through our core business, 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.

Section 172

New legislation became effective in the UK during the year, aimed at helping shareholders better understand how directors have discharged their duty to promote the success of companies, while having regard to the matters set out in Section 172(1)(a) to (f) of the UK Companies Act 2006 (s172 matters). In addition, the 2018 UK Corporate Governance Code recommends that boards describe how the matters set out in Section 172 have been considered in Board discussions and decision-making.

Section 172 defines the duties of company directors and concerns the duty to promote the success of companies. In FY20, the directors of the Company continued to exercise these duties while having regard to the s172 matters, and also to other relevant factors as they reviewed and considered proposals from senior management, and as they governed the Company on behalf of its shareholders through the Board and its committees.

Experian plc, a Jersey-incorporated company, and the Board embrace Section 172 and fully supports its aims, and we are reporting in line with the new UK requirement.

We outline below, through use of cross reference, where we have considered the s172 matters throughout this Annual Report.

Section 172 matters	Specific examples	Page
(a) The likely consequences of any decision in the long term	Our dividend policy, taken together with sections of our Financial review explain how we balance returns to shareholders with capital invested organically and on acquisitions	54
	Our governance framework shows how the Board delegates its authority	82
(b) The interests of the company's employees	Protecting our people in the COVID-19 pandemic	10
	Employee engagement	15, 22, 42
(c) The need to foster the company's business relationships with suppliers, customers and others	Partnering with suppliers	22, 45
	We comply with the requirements of 'The Reporting on Payment Practices and Performance Regulations (2017)' for all of our in-scope UK companies	
(d) The impact of the company's operations on the community and the environment	Improving financial lives	37
	Protecting the environment	47
(e) The desirability of the company maintaining a reputation for high standards of business	Upholding high ethical standards	44
	Partnering with suppliers	22, 45
(f) The need to act fairly between members of the company	Stakeholder engagement	22, 83, 84
	Investment proposition	85

Regional review

North America

Craig Boundy
CEO, North America

We're very pleased with our performance, which was strong. The quality of our datasets and our new innovations resonate with clients, who want to provide more positive customer experiences, streamline their operational processes and make faster, more-informed decisions. Consumers can take control of their data and actively build their credit scores using Experian Boost. We are now, more than ever, focused on delivering for our clients and consumers as they cope with the pandemic, ensuring that our innovative thinking supports them during this time.

Revenue in North America was US$3,247m, with both total revenue and organic revenue growth of 11%.

North America B2B delivered organic revenue growth of 10%. Data grew 11%, with positive contributions across all core areas of activity, reflecting strength in credit data volumes, mortgage and contributions from new products and data assets such as additional Ascend modules and trended data assets. With the launch of Ascend Data Services, we have now introduced six Ascend modules in total and we secured significant synergies from non-traditional credit data assets (Clarity Services).

Decisioning performed well, revenue was up 8% organically, including a very strong performance in fraud and identity management services, including new client wins and new deployments for CrossCore, as well as strong progress in analytics. FY20 closed strongly with new PowerCurve wins, many of which will migrate to our modern cloud platform in the coming financial year. Experian Health performed well as we added new client logos. Growth was also driven by the expansion of our suite of revenue cycle offers, including the integration of MyHealthDirect which helps automate appointments, scheduling and payment processes.

In Consumer Services, we have seen a phenomenal consumer response to Experian Boost since it was first introduced in March 2019. Experian Boost gives consumers the ability to make positive choices about using their data to build out their credit files using non-traditional sources such as utility or mobile phone bills. In the USA, 3m unique consumers have now connected their accounts, and this has contributed to the growth in our free membership base to 29.5m, up from 19m free members at the end of FY19. Increased consumer engagement contributed to growth in organic revenue of 11% as consumers take up a variety of services across the Experian.com ecosystem. Lead generation revenue through CreditMatch more than trebled in size as more consumers were matched to suitable credit offers, there was further very strong growth in identity management paid memberships, and while down for the year as a whole paid-for credit monitoring services crossed into positive territory in H2.

North America Benchmark EBIT increased by 16% to US$1,093m. The Benchmark EBIT margin increased by 140 basis points year-on-year to 33.7%. This reflected strong operating leverage in B2B, even as we invested in customer acquisition in support of the Experian Boost roll-out.

Total revenue growth

	%
2020	**11**
2019	11
2018	8
2017	7
2016	3

Organic revenue growth

	%
2020	**11**
2019	10
2018	6
2017	5
2016	3

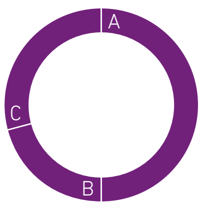
Benchmark EBIT and Benchmark EBIT margin

	US$m	Margin %
2020	**1,093**	**33.7**
2019	940	32.3
2018[1]	821	31.4
2017	779	31.8
2016	704	30.7

1 Restated for IFRS 15.

Revenue split

A. B2B: Data	**50%**
B. B2B: Decisioning	**21%**
C. Consumer Services	**29%**



Revenue by activity

	2020 US$m	2019 US$m	Total growth %	Organic growth %
B2B: Data	**1,642**	1,468	12	11
B2B: Decisioning	**679**	623	9	8
Total B2B	**2,321**	2,091	11	10
Consumer Services	**926**	822	13	11
Total North America	**3,247**	2,913	11	11

Latin America

Valdemir Bertolo
Managing Director, Brazil

We have had a very good year. Our advanced analytics and product introductions help our B2B clients to quickly analyse data and make faster decisions in a changing credit environment. We are engaging with millions of new members on free consumer membership platforms, where demand for financial education, debt renegotiation and credit-matching services remains high. We were delighted when in October 2019 a positive data registry was introduced into Brazil for the first time. We invested and prepared for this seismic change which we believe will markedly improve access to credit for millions of people in Brazil.

Revenue in Latin America was US$732m, with both total and organic revenue growth of 13% at constant exchange rates.

In Brazil, our business grew strongly, with strength across consumer information, business information and Decisioning. In B2B, we introduced new products, such as Ascend, and we also made progress entering new industry segments, with particular strength in automotive in the year. We also benefitted from a significant revenue contribution from our consumer-facing activities, with strong demand for Limpa Nome Online, a consumer debt-resolution service, and eCred, which is a credit-matching marketplace, and as we engage with millions of new consumer members. Our consumer membership base continues to grow quickly, and we now have 45m free members, giving us material scale. Revenue across Latin America consumer services was US$40m for the year ended 31 March 2020, an increase of 129% organically over FY19. Given this strong progress and our outlook for creating a significant consumer services business in Latin America, currently live in Brazil, Colombia and Peru, we will be reporting Consumer Services revenue separately from Data going forward in Latin America.

We made significant investments in Brazil during the year, as we prepared for the introduction of positive data. Towards the end of the financial year we launched the first of our B2B positive data propositions, including scores which encompass both positive and negative data, and over the coming year we plan to introduce a wide range of advanced analytical and cloud-based decisioning tools which will incorporate and utilise positive data. We continue to believe that positive data is an important step towards making credit products in Brazil more affordable, and when coupled with advanced analytical solutions like Ascend, will lead to a step-change in digital banking experiences for consumers in Brazil.

We made further progress in Spanish Latin America and were pleased to extend our position in Peru with the acquisition of Sentinel Peru. Sentinel's strong presence in the small and medium enterprise segment and its relationships with more than one million consumers will help further develop our presence in the Spanish Latin America area.

Benchmark EBIT in Latin America was US$220m, up 6% at constant exchange rates. Benchmark EBIT margin was 30.1% (2019: 32.7%) reflecting revenue mix effects and investments in consumer, positive data preparation and in our technology platforms.

Total revenue growth

	%
2020	**13**
2019	6
2018	6
2017	9
2016	7

Organic revenue growth

	%
2020	**13**
2019	6
2018	6
2017	9
2016	7

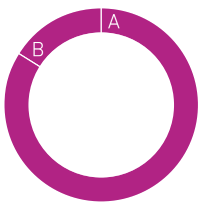
Benchmark EBIT and Benchmark EBIT margin

	US$m	Margin %
2020	**220**	**30.1**
2019	231	32.7
2018[1]	259	33.3
2017	251	34.4
2016	226	35.8

1 Restated for IFRS 15.

Revenue split

A. B2B: Data **84%**
B. B2B: Decisioning **16%**



Revenue by activity

	2020 US$m	2019 US$m	Total growth[2] %	Organic growth[2] %
B2B: Data	**618**	594	14	13
B2B: Decisioning	**114**	113	10	10
Total Latin America	**732**	707	13	13

2 At constant exchange rates.

Regional review
continued

UK and Ireland

Jose Luiz Rossi
Managing Director, UK and Ireland

This was a challenging year for our business in the UK and Ireland. To address this, we have introduced a transformation programme under a new team. We have made progress in some areas and are pleased that our free consumer platform now has 7.5 million members who can benefit from financial education, credit monitoring and credit-matching services. As elsewhere in Experian, we are committed to using our data expertise and analytics to help the vulnerable and support our communities during the COVID-19 crisis.

The UK and Ireland had a challenging year and underperformed our expectations, with weakness in both revenue performance in B2B and in profitability overall. We have launched a transformation programme to enhance the performance of the business.

Revenue in the UK and Ireland was US$769m. Total and organic revenue growth was (2)%. B2B declined (3)% while Consumer Services delivered organic revenue growth of 2%.

Within B2B, Data delivered organic revenue growth of 1%, including a good contribution from the consumer credit bureau, led by growth in new digital capabilities such as eligibility services for B2B marketplaces, trended data and mortgage digitisation services. Other parts of our Data operations were weaker, while Decisioning contracted, with organic revenue down (10)%. In part, this was as we lapped strong prior-year comparatives but there was also weakness in software sales and installations.

Consumer Services made good progress driven by significant expansion of the credit comparison marketplace and helped by a moderation in the rate of decline in paid memberships. Our free membership base reached 7.5m consumers.

Benchmark EBIT performance was weak in the UK and Ireland, down (22)% at constant exchange rates to US$171m. This reflected the reduction in Decisioning revenue, increased depreciation and amortisation, and further investment related to technology infrastructure to support the roll-out of our global platforms. The Benchmark EBIT margin was 22.2% (2019: 28.3%).

Total revenue growth

	%
2020	**(2)**
2019	4
2018	1
2017	1
2016	5

Organic revenue growth

	%
2020	**(2)**
2019	4
2018	0
2017	1
2016	5

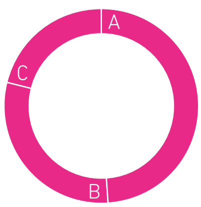
Benchmark EBIT and Benchmark EBIT margin

	US$m	Margin %
2020	**171**	**22.2**
2019	230	28.3
2018[1]	235	29.8
2017	246	30.5
2016	300	32.1

1 Restated for IFRS 15.

Revenue split

A. B2B: Data	**49%**
B. B2B: Decisioning	**30%**
C. Consumer Services	**21%**



Revenue by activity

	2020 US$m	2019 US$m	Total growth[2] %	Organic growth[2] %
B2B: Data	**381**	388	1	1
B2B: Decisioning	**227**	262	(10)	(10)
Total B2B	**608**	650	(3)	(3)
Consumer Services	**161**	163	2	2
Total – ongoing activities	**769**	813	(2)	(2)
Exited activities	**–**	6		
Total UK and Ireland	**769**	819		

2 At constant exchange rates.

EMEA/Asia Pacific

Ben Elliot
CEO, Asia Pacific

We are helping companies in Asia Pacific to navigate the fast-changing world of digital finance with our expertise in alternative data and advanced analytics. Clients can more quickly and seamlessly manage decisions across their customer ecosystem, whether that's finding new customers, delivering personalised experiences, fraud protection or identifying vulnerable customers who may need extra support during these difficult times to manage their finances.

In EMEA/Asia Pacific, revenue was US$431m, with total revenue growth at constant rates of 7% and organic decline of (3)%. The difference relates to the contribution from the Compuscan acquisition and other smaller acquisitions.

We delivered good growth in Data, where organic revenue was up 7%. This reflected good progress in our bureaux in the Nordics, South Africa, India and Australia. We also benefitted from first-time revenue contributions for Ascend, as we secure new client engagements, and for our open data platform. Compuscan, our recently acquired credit bureau in South Africa, has performed well and we are excited about the opportunities for the combined business.

Decisioning organic revenue declined by (10)%, reflecting solid progress in EMEA offset by weakness in Asia Pacific as we lapped a small number of large Decisioning contracts in the prior year.

In April we agreed to acquire a majority stake in the Risk Management division of Arvato Financial Solutions (AFS), the second-largest credit bureau in Germany, operating also in Austria. Combining this bureau with our existing decision and analytics business in Germany will allow us to build a strong, scale presence in this key European market.

Benchmark EBIT was US$15m (2019: US$3m). At actual exchange rates Benchmark EBIT growth was 394% and at constant exchange rates it was 336%. Benchmark EBIT margin from ongoing activities at actual rates increased 280 basis points to 3.5% as our operations grow in scale.

Total revenue growth

	%
2020	**7**
2019	14
2018	11
2017	9
2016	7

Organic revenue growth

	%
2020	**(3)**
2019	14
2018	11
2017	9
2016	7

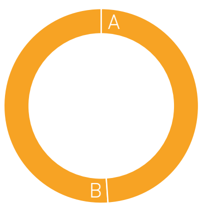
Benchmark EBIT and Benchmark EBIT margin

	US$m	Margin %
2020	**15**	**3.5**
2019	3	0.7
2018[1]	5	1.3
2017	(3)	(0.9)
2016	(14)	(4.8)

1 Restated for IFRS 15.

Revenue split

A. B2B: Data	**49%**
B. B2B: Decisioning	**51%**



Revenue by activity

	2020 US$m	2019 US$m	Total growth[2] %	Organic growth[2] %
B2B: Data	**213**	175	28	7
B2B: Decisioning	**218**	247	(8)	(10)
Total EMEA/Asia Pacific	**431**	422	7	(3)

2 At constant exchange rates.

Financial review

A year of good progress and a strong financial position

Lloyd Pitchford
Chief Financial Officer

Highlights 2020

Revenue US$**5.2**bn	Benchmark EPS USc **103.0***
Total revenue growth **9**%* (at constant FX)	Cash flow conversion **88**%*
Organic revenue growth **8**%* (at constant FX)	Returned to shareholders US$**613**m

We delivered strong financial performance during the year with total revenue growth of 9% at constant exchange rates. As we enter into a new financial year and address the uncertainties created by COVID-19, we are in a strong financial position, robustly financed with globally diversified end markets and a highly cash generative business model.

*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 62 and a fuller explanation in note 7 to the Group financial statements.

Summary

We made significant strategic and financial progress during the year, with 9% revenue and Benchmark EBIT growth and an 8% increase in Benchmark EPS, all at constant currency, along with strong Benchmark operating cash flow. Performance across B2B was strong as we accelerate our global B2B innovation with considerable momentum in our Consumer Services business powered by investment in Experian Boost.

As we enter into a new financial year, and a period of unprecedented uncertainty from the economic disruption of the COVID-19 pandemic, we are in a strong financial position, robustly financed with globally diversified end markets and resilient infrastructure and processes in place.

Statutory financial highlights

	2020 US$m	2019 US$m	Growth %
Revenue	**5,179**	4,861	7
Operating profit	**1,185**	1,162	2
Profit before tax	**942**	957	(2)
Profit after tax from continuing operations	**679**	701	(3)
Net cash inflow from operating activities – continuing operations	**1,262**	1,283	(2)
Full-year dividend per share	**USc47.0**	USc46.5	1
Basic EPS from continuing operations	**USc75.0**	USc76.9	(2)
Basic EPS	**USc74.8**	USc76.9	(3)

Benchmark financial highlights[1]

	2020 US$m	2019 US$m	Constant rates growth %
Revenue[2]	**5,179**	4,855	9
Benchmark EBIT	**1,387**	1,311	9
Benchmark PBT	**1,255**	1,198	8
Net debt: EBITDA	**2.2**	2.0	n/a
Undrawn committed bank facilities	**2,175**	2,625	n/a
Benchmark operating cash flow	**1,214**	1,270	(2)
Benchmark EPS	**USc103.0**	USc98.0	8

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

2 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 50 to 53.

We report our financial results in US dollars. The weakening of our other trading currencies during the year, primarily the Brazilian real and pound sterling, against the US dollar, reduced total revenue by US$116m and Benchmark EBIT by US$40m. Benchmark EBIT margin from ongoing activities was adversely impacted by foreign exchange movements by 10 basis points. A ± 1% change in the Brazilian real or pound sterling exchange rate would impact total revenue by ± US$6m or ± US$8m respectively. Details of the principal exchange rates used and currency exposures are provided in note 11 to the Group financial statements.

Revenue from ongoing activities

	US$m
2020	**5,179**
2019	4,855
2018[1]	4,572
2017	4,330
2016	4,164

Total Benchmark EBIT and Benchmark EBIT margin

	US$m	Margin %
2020	**1,387**	**26.8**
2019	1,311	26.9
2018[1]	1,247	27.1
2017	1,199	27.6
2016	1,145	27.1

Benchmark EPS

	USc
2020	**103.0**
2019	98.0
2018[1]	94.4
2017	88.4
2016	84.4

Dividend per share

	USc
2020	**47.00**
2019	46.50
2018	44.75
2017	41.50
2016	40.00

1 Restated for IFRS 15.

Revenue, Benchmark EBIT and Benchmark EBIT margin by business segment

	2020 US$m	2019 US$m	Total growth[1] %	Organic growth[1] %
Revenue				
Data	**2,854**	2,625	12	10
Decisioning	**1,238**	1,245	2	1
Business-to-Business	**4,092**	3,870	9	7
Consumer Services	**1,087**	985	11	10
Ongoing activities	**5,179**	4,855	9	8
Exited business activities	**—**	6	n/a	
Total	**5,179**	4,861	9	
Benchmark EBIT				
Business-to-Business	**1,242**	1,186	8	
Consumer Services	**257**	218	19	
Business segments	**1,499**	1,404	9	
Central Activities – central corporate costs	**(112)**	(98)	n/a	
Ongoing activities	**1,387**	1,306	9	
Exited business activities	**—**	5	n/a	
Total Benchmark EBIT	**1,387**	1,311	9	
Benchmark EBIT margin – ongoing activities				
Business-to-Business	**30.4%**	30.6%		
Consumer Services	**23.6%**	22.1%		
Benchmark EBIT margin	**26.8%**	26.9%		

1 At constant exchange rates.

Reconciliation of Benchmark EBIT to statutory profit before tax

Year ended 31 March	**2020 US$m**	2019 US$m
Benchmark EBIT from ongoing activities	**1,387**	1,306
Exited business activities	**—**	5
Benchmark EBIT	**1,387**	1,311
Net interest expense	**(132)**	(113)
Benchmark PBT	**1,255**	1,198
Exceptional items	**(35)**	5
Other adjustments made to derive Benchmark PBT (note 15(a))	**(278)**	(246)
Profit before tax	**942**	957

This Financial review includes 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

Cash and liquidity management
This year, we continued to deliver strong cash generation, with an 88% conversion of Benchmark EBIT to Benchmark operating cash flow (2019: 97%). The reduction is due to the changing mix of our business, greater infrastructure investment and working capital movements. Trade and unbilled receivables have increased by US$57m during the year, partly due to the impact of COVID-19 on collections.

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, we generated strong Benchmark operating and Benchmark free cash flows in the year. Cash outflow from discontinued operations was US$6m (2019: US$42m), primarily from the divestment of CCM.

Funding
During the year we issued a US$750m bond which matures in 2030 and we extended the maturity date of our principal bank facilities from December 2023 to December 2024. This contributed to increasing the average duration of our debt by 19 months. At 31 March 2020 43% (2019: 48%) of our total borrowings falls due in over five years.

We are robustly financed with access to considerable funding. Our undrawn committed bank borrowing facilities at 31 March 2020 were US$2.2bn (2019: US$2.6bn). In addition, on 7 April 2020 we issued a £400m bond which matures in 2032.

We keep our debt levels stable at a low multiple of our profits. Net debt at 31 March 2020 was US$3,898m (at 1 April 2019: US$3,262m), 2.2 times Benchmark EBITDA (2019: 2.0 times).

The covenant on our banking facilities is that Benchmark EBIT should cover net interest expense before financing fair value remeasurements by three times, and as at 31 March 2020 this coverage ratio was 11 times. We have no undue concentration of repayment obligations in respect of borrowings.

Disciplined capital management
Our capital allocation framework is based on balancing a number of competing priorities – notably operating and capital investment and dividends. 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 are expected to bring.

Total investment of US$1,278m (2019: US$556m) comprised cash flows for net capital expenditure, acquisitions and investments.

Cash flow and Net debt summary

Year ended 31 March	2020 US$m	2019 US$m
Benchmark EBIT	**1,387**	1,311
Amortisation and depreciation charged to Benchmark EBIT	**413**	326
Benchmark EBITDA	**1,800**	1,637
Net capital expenditure	**(483)**	(431)
Increase in working capital	**(112)**	(26)
Principal lease payments	**(55)**	—
(Profit)/loss retained in associates	**(2)**	3
Fair value gain on revaluation of step acquisition	**(17)**	—
Charge for share incentive plans	**83**	87
Benchmark operating cash flow	**1,214**	1,270
Net interest paid	**(152)**	(129)
Tax paid – continuing operations	**(286)**	(233)
Dividends paid to non-controlling interests	**(2)**	(1)
Benchmark free cash flow	**774**	907
Acquisitions	**(700)**	(95)
Purchase of investments	**(95)**	(30)
Disposal of businesses and investments – continuing operations	**—**	12
Movement in Exceptional and other non-benchmark items	**(18)**	(25)
Ordinary dividends paid	**(424)**	(410)
Net cash (outflow)/inflow – continuing operations	**(463)**	359
Net debt previously reported at 31 March	**(3,275)**	(3,408)
Finance leases previously reported under IAS 17[1]	**13**	—
Net debt at 1 April[1]	**(3,262)**	(3,408)
Net share purchases	**(188)**	(215)
Discontinued operations	**(6)**	(42)
Foreign exchange and other movements	**21**	31
Net debt at 31 March	**(3,898)**	(3,275)

1 Following the implementation of IFRS 16, leases are excluded from our definition of Net debt. The FY20 opening position has been restated to exclude finance lease liabilities previously reported at 31 March 2019.

Reconciliation of net capital expenditure

Year ended 31 March	2020 US$m	2019 US$m
Capital expenditure as reported in the Group cash flow statement	**487**	439
Disposal of property, plant and equipment	**(5)**	(13)
Profit on disposals of fixed assets	**1**	5
Net capital expenditure as reported in the cash flow and Net debt summary	**483**	431

Benchmark operating cash flow and cash flow conversion

	US$m	%
2020	**1,214**	**88**
2019	1,270	97
2018[2]	1,196	96
2017	1,149	96
2016	1,210	106

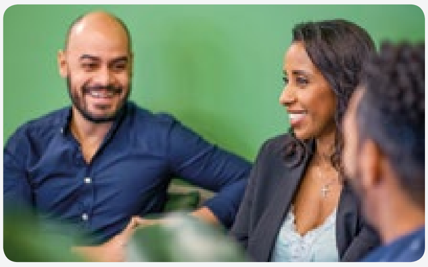
2 Restated for IFRS 15.

Total return to shareholders

	Dividends	Net share purchases	US$m
2020	424	189	**613**
2019	410	218	628
2018	388	566	954
2017	381	353	734
2016	380	592	972

Dividends Net share purchases

Acquisition spend during the year



Compuscan
One of the leading credit bureaux and information services businesses across sub-Saharan Africa

MyHealthDirect
A leading provider of digital care co-ordination solutions in the USA

Auto ID
Operates the first US software technology platform that provides solutions for feature identification, automobile valuation, and a comprehensive loan recovery system

Experian MicroAnalytics
Specialises in helping people in emerging markets create financial identities using alternative data

Castlight
UK's leading open banking technology company providing financial retailers with a range of digital tools to enhance the way they do business with their customers

Sentinel Peru
Complements Experian's operations in Peru extending our services to both businesses and consumers

Look Who's Charging
Leading provider of transaction enrichment and categorisation technology to banks in Australia

RAM Credit Information
A leading consumer and business information bureau in Malaysia

MCI-Experian
Provides advanced credit management services in South Korea

Acquisition revenue and Benchmark EBIT by region US$m

	Revenue			Benchmark EBIT
	Data	Decisioning	Total	
North America	6	7	13	3
Latin America	3	—	3	—
UK and Ireland	1	—	1	(1)
EMEA/Asia Pacific	35	4	39	15
Total	45	11	56	17

Acquisitions

Our acquisition spend this year was US$700m (2019: US$95m). We completed eight acquisitions in the year including those of Compuscan (CSH Group (Pty) Limited) a leading provider of credit information and decision analytics across sub-Saharan Africa for US$268m and Auto I.D., Inc. a leading provider of solutions and services to automotive lenders in the USA for US$188m.

We also purchased the remaining 45% of our Experian MicroAnalytics businesses. We continue to invest in smaller start-ups and FinTech companies, to boost innovation and advance our intellectual property.

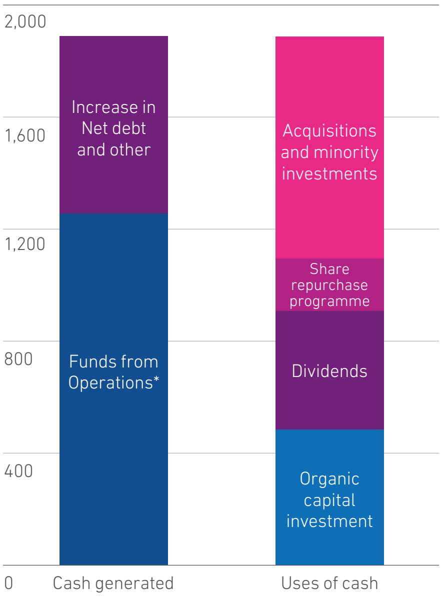
Acquisitions were in the Business-to-Business segment and contributed US$56m to revenue and US$16m to profit before tax in the year, with annualised pro-forma revenue of US$82m.

In April 2020, we agreed to acquire, subject to regulatory approval, a majority stake in the Risk Management division of Arvato Financial Solutions (AFS) one of the leading credit bureaux in Germany, for 7.2m Experian plc shares.

Financial review
continued

Share capital
This year, our net spend on share repurchases totalled US$188m (at an average price of 2,431p) and the number of shares in circulation was reduced by 0.5m (0.1%). During the year, the average number of shares in circulation was 902m and the closing number of shares at 31 March 2020 was 901m.

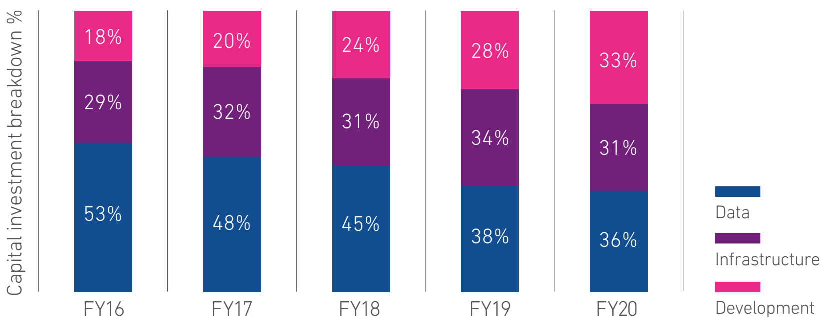
Capital summary US$m



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

Capital expenditure (capex) as % of total revenue

	FY16	FY17	FY18	FY19	FY20
Capex %	7	9	9	9	9
Capex US$m	339	399	431	439	487



Cash tax reconciliation

Year ended 31 March	2020 %	2019 %
Tax charge on Benchmark PBT	**25.8**	25.5
Tax relief on intangible assets	**(3.1)**	(4.1)
Benefit of brought forward tax losses	**(1.3)**	(1.3)
Other differences	**1.4**	(0.7)
Tax paid as a percentage of Benchmark PBT	**22.8**	19.4

Capital expenditure
Our capital expenditure of US$487m (2019: US$439m) was 9% (2019: 9%) of total revenue.

We are re-engineering our technology platforms and investing in leading-edge, cloud-based, self-provisioning technology to drive profitable growth. We are making more effective use of our operational resources, through use of common architectures to enable higher reinvestment in innovation. This allows us to improve the build time of client solutions.

Business segments
From FY21 we are making changes to the way we report our business segments in order to recognise the growing importance of our B2C operations in Latin America as we invest in this business. Previously our Consumer Services business within the region was not sufficiently material to be disclosed separately. However, following the introduction of positive data in Brazil and the growing contribution from our consumer activities in the region, the results from next year will be analysed across our two business segments. Revenue and Benchmark EBIT, of US$40m and (US$6m) respectively, will be re-presented within the Consumer Services business segment as the FY21 comparators.

Growing our Group
We delivered strong financial performance this year with total revenue growth of 9% and organic revenue growth of 8% both at constant currency.

We are making significant progress as we execute on our strategy of innovation-led growth, accelerating the pace of innovation and improving the speed at which we can introduce new products and new capabilities into and across markets. Our aim is to delight customers with cutting-edge products by exceeding expectations of quality, service, reliability and scalability.

We made further progress in the roll-out of Experian Ascend, as we launched the new Experian Ascend Data Services module, and we continue to secure significant synergies from non-traditional credit data assets. Experian Boost continues to perform well in our US market. We are harnessing this technology and plan to launch the product in our other major consumer markets, starting with the UK.

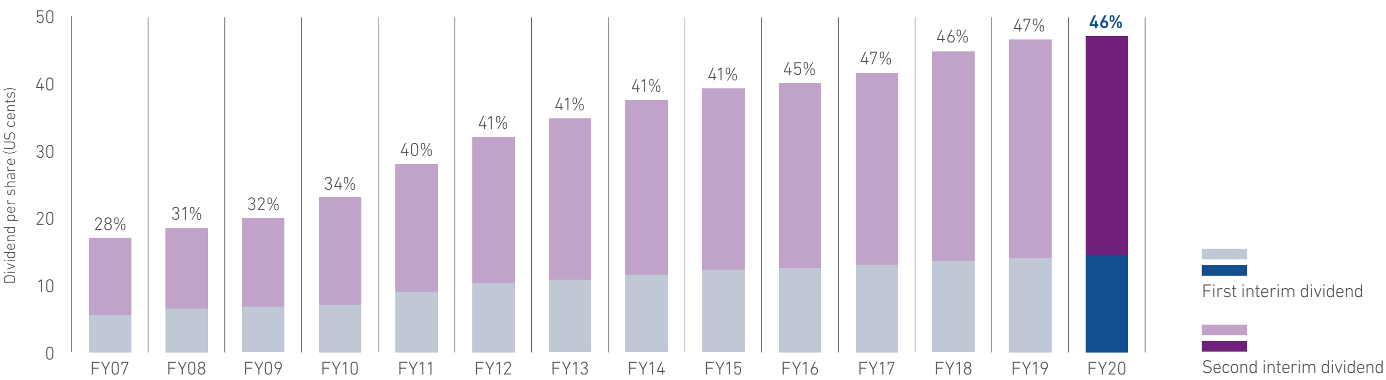
We have further expanded our free membership base and have approximately 29.5m US consumers on our free membership platform, 45m in Brazil and 7.5m in the UK.

We plan to continue our strategy of investing to drive sustainable growth, developing opportunities at scale.

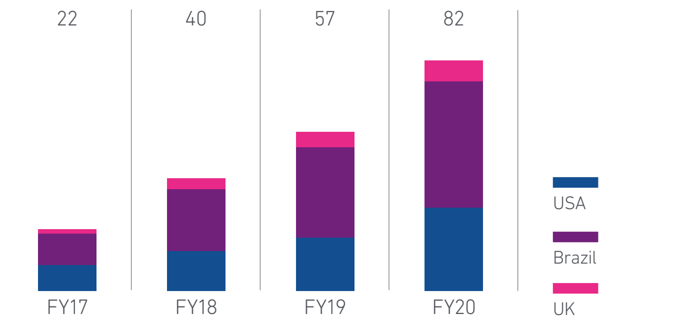
Interest
Benchmark net finance costs increased by US$19m, of which US$10m relates to interest recognised on leases following the adoption of IFRS 16. The underlying increase of US$9m reflects increases in debt and leverage levels as a result of acquisition activity, partially offset by decreases in market interest rates.

Foreign exchange losses on Brazilian real intra-Group funding and other fair value remeasurements contributed to the increase in statutory net finance costs of US$49m. At 31 March 2020, interest on 67% of our net funding was at fixed rates (2019: 68%).

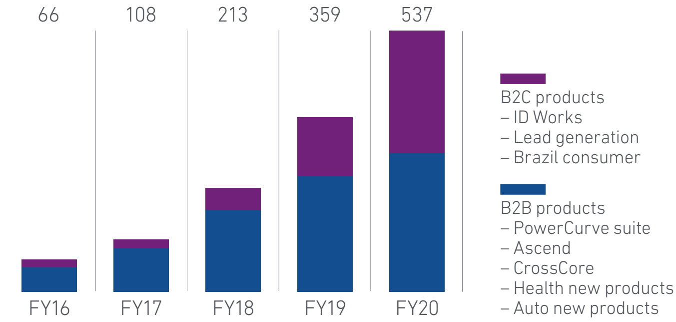
Dividend history (USc) Payout ratio (%)



Free member base million



New and scaling products revenue US$m



We continue to assess the impact of LIBOR reform. Our LIBOR exposures arise from: interest on bank loans, bonds on which fixed coupons have been swapped into floating rates and interest rate derivatives. We do not anticipate any material financial impact on the Group from LIBOR reform.

Taxation

Our Group tax charge was US$263m (2019: US$256m) and our effective tax rate on Benchmark PBT was 25.8% (2019: 25.5%), 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 opposite. Other differences include items for which the tax charge and payment fall in different financial years.

We anticipate that our cash tax rate will increase and 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.

Earnings per share

Basic EPS was 74.8 US cents (2019: 76.9 US cents). Basic EPS was reduced by 28.2 US cents per share (2019: 21.1 US cents per share) in respect of discontinued operations and Exceptional items and other adjustments made to derive Benchmark PBT.

Benchmark EPS was 103.0 US cents (2019: 98.0 US cents), an increase of 5% at actual and 8% at constant currency exchange rates. Further information is provided in note 19 to the Group financial statements.

A ± 10% change in the Brazilian real or pound sterling exchange rate would impact Benchmark EPS by ± 2 US cents or ± 1 US cents respectively.

Dividends and distributable reserves

Our 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. Our long-term record of profitability and strong cash flow conversion has enabled us to pay growing dividends year-on-year since we became a listed company in 2006.

The Board has announced a second interim dividend of 32.5 (2019: 32.5) US cents per share giving a total dividend for the year of 47.0 (2019: 46.5) US cents per share.

The total dividend per share for the year is covered 2.2 times by Benchmark EPS (2019: 2.1 times). Ordinary dividends paid in the year amounted to US$424m (2019: US$410m). The UK entity responsible for paying dividends under the Group's Income Access Share arrangements has significant distributable reserves at 31 March 2020 of US$13.6bn. See note K to the Company financial statements for further detail.

Shareholder returns

For the year ended 31 March 2020, net share purchases totalled US$189m, on which a gain of US$1m was made. Due to uncertainties surrounding COVID-19, we have suspended the remainder of the current share repurchase programme.

Financial review
continued

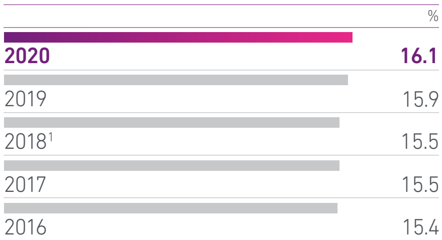
Net assets and ROCE summary

Year ended 31 March	2020 US$m	2019 US$m	2018[1] US$m
Goodwill	**4,543**	4,324	4,452
Other segment assets	**3,344**	2,957	3,066
Total segment assets	**7,887**	7,281	7,518
Segment liabilities	**(1,723)**	(1,541)	(1,636)
Operating segments – net assets	**6,164**	5,740	5,882
Central Activities – net assets	**307**	300	283
Deduct: non-controlling interests	**(6)**	(14)	(7)
Capital employed	**6,465**	6,026	6,158
Net debt	**(3,898)**	(3,275)	(3,408)
Tax	**(292)**	(271)	(273)
Add: non-controlling interests	**6**	14	7
Net assets	**2,281**	2,494	2,484
Average capital employed	**6,383**	6,094	6,003
ROCE[2]	**16.1%**	15.9%	15.5%

1 Restated for IFRS 15.

2 For definition of ROCE see 'Non-GAAP measures' on page 148.

ROCE



Net assets and ROCE

The introduction of IFRS 15 in FY19 reduced net assets at 31 March 2018 by US$140m and reduced ROCE by 20 basis points.

Operating segment net assets increased by US$424m in the year as a result of acquisitions, offset by a corresponding increase in Net debt of US$623m.

ROCE for the year ended 31 March 2020 was 16.1% (2019: 15.9%). ROCE is a post-tax measure and we use our Benchmark tax rate for ease of calculation.

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. There have been significant exchange effects on balance sheet line items at 31 March 2020, with details on a Group basis provided in the notes to the Group financial statements where appropriate.

IFRS 16 'Leases'

Following the adoption of IFRS 16, we recognised right-of-use assets of US$192m and lease obligations totalling US$204m on 1 April 2019. Operating expense reduced by US$10m, offset by a corresponding increase in interest expense. See note 3 to the Group financial statements for further detail.

Financial risk management

The key financial risks that are specific to our business are set out in the Risk management section on pages 63 to 70. With the COVID-19 pandemic, there is increasing likelihood of a global recession, the severity and duration of which is uncertain. We have put in place a global response group, and are closely monitoring our infrastructure and processes to manage our commitments to clients, consumers and regulators.

We are continuing to assess the risk arising from Brexit. We anticipate challenging trading conditions given the ongoing political and economic uncertainty in the UK, coupled with the impacts of COVID-19. We will consider what action is needed as more information about the impact of Brexit becomes available.

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, with further numeric disclosures for foreign exchange, interest rate and credit risk in notes 11,16, 25 and 31.

Critical estimates and judgments

The Group is subject to a number of risks and uncertainties which require us to make estimates and judgments. Areas involving significant uncertainty are:

Goodwill

Goodwill represents 51% of total assets. We test for impairment of goodwill annually by performing a value-in-use calculation for each CGU, which is based on cash flow projections. In light of the current circumstances we have performed a second review with assumptions updated for COVID-19. IAS 36 requires us to disclose where a reasonably possible movement in these key assumptions would lead the calculated recoverable amount to be equal to the carrying value. These estimates are, by nature, subject to uncertainty and the key assumptions used by each CGU, and sensitivities for the EMEA and Asia Pacific CGUs are set out in note 21 to the Group financial statements.

Useful life of intangible assets

Our business is subject to technological change and competition. We currently amortise non-acquisition intangibles over a period from three to ten years with the average life being five years. If the useful life of our databases and internal use/internally developed software either increased or decreased by one year, the impact on the annual amortisation charge would be a decrease of US$46m or an increase of US$66m respectively.

Taxation

We are subject to tax in numerous jurisdictions and have a number of open tax returns with various tax authorities. It can take many years to agree an outcome with a tax authority, as there are transactions in the ordinary course of business for which the ultimate tax determination is uncertain. Our key uncertainties relate to the deductibility of purchased goodwill, inter-company trading and financing. US$327m (2019: US$336m) is included in current tax liabilities in relation to these judgmental areas. If the resolution of all these uncertainties was ultimately adverse, we may be required to pay an amount of up to US$163m in addition to that currently provided.

Deciding whether to recognise deferred tax assets is a financial judgment. Assets are only recognised when we consider it probable that they can be recovered based on forecasts of future profits against which those assets may be utilised.

In addition, the Group is subject to challenge by the Brazilian and Colombian tax authorities on the deduction for tax purposes of goodwill amortisation. Further information on the contingency is provided in note 45 to the Group financial statements.

Pensions

The Group is exposed to a number of risks inherent in defined benefit pension plans, as outlined in note 35(d) to the Group financial statements. The principal financial assumption used in determining the carrying value of pension assets/obligations is the real discount rate. If this rate increased/decreased by 0.1%, defined benefit obligations at 31 March 2020 would change by approximately ± US$16m.

Litigation

There continue to be a number of litigation and other claims across all our major geographies. We do not consider that the outcome of any such claims will have a materially adverse effect on our financial position.

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	2020 US$m	2019 US$m
Exceptional items:		
Profit on disposal of businesses	—	(5)
Legal provisions movements	35	—
Charge/(credit) for Exceptional items	35	(5)
Other adjustments made to derive Benchmark PBT:		
Amortisation of acquisition intangibles	124	111
Interest on uncertain tax provisions	14	14
Acquisition and disposal expenses	39	24
Adjustment to the fair value of contingent consideration	(4)	16
Non-benchmark share of post-tax profit of associates	(6)	—
Financing fair value remeasurements	111	81
Other adjustments made to derive Benchmark PBT	278	246
Net charge for Exceptional items and other adjustments made to derive Benchmark PBT	**313**	241

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

Financial review
continued

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.

We have updated our definition of Benchmark PBT to include the Group's share of continuing associates' Benchmark post-tax results to provide a more consistent measure, removing the effects of Exceptional items, acquisition and disposal expenses etc. from associates' post-tax results and aligning to our assessment of subsidiary performance. Previously our measure of Benchmark PBT included the Group's share of continuing associates' total post-tax results. The effect of this change is to exclude a net gain of US$6m from Benchmark PBT in relation to a business disposal by an associate. There has been no material difference between the Group's share of associates' total and Benchmark post-tax results in previous years.

Following the adoption of IFRS 16 we have updated our definition of Net debt and Net funding to exclude lease liabilities. The definitions of Benchmark operating and Benchmark free cash flow have also been updated to adjust for principal lease payments and the Benchmark profit or loss retained in continuing associates.

Benchmark PBT	Profit before amortisation and impairment charges, acquisition expenses, Exceptional items, financing fair value remeasurements, tax (and interest thereon) and discontinued operations. It includes the Group's share of continuing associates' Benchmark post-tax results.
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, excluding acquisitions until the first anniversary of their consolidation.
Benchmark earnings	Benchmark PBT less attributable tax and non-controlling interests.
Total Benchmark earnings	Benchmark PBT less attributable tax.
Benchmark EPS	Benchmark earnings divided by the weighted average number of ordinary shares.
Benchmark operating cash flow	Benchmark EBIT plus amortisation, depreciation and charges for share-based incentive plans, less net capital expenditure and adjusted for changes in working capital, principal lease payments and the Group's share of the Benchmark profit or loss retained in continuing associates.
Cash flow conversion	Benchmark operating cash flow expressed as a percentage of Benchmark EBIT.
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.

Risk management
continued

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, compliance and business continuity. Global Internal Audit assesses our risks and controls independently and objectively. The results of these reviews feed into our quarterly reporting cycle.

Risk categories

Strategic risk
- Country/Political/ Economic
- Acquisition
- Competitor
- Business strategy
- Publicity

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

Regulatory/ Compliance risk
- Regulated activities
- Privacy
- Financial crime

Operational risk
- Technology
- Information security
- Physical security
- 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 and ERMC
- Audit Committee

Three Lines of Defence

Board Audit Committee

Executive management / Risk Management Committees

First Line of Defence
- Lines of business (regional and global)
- Experian IT Services (EITS)
- Corporate functions

All employees have First Line responsibilities

Second Line of Defence
- Global Risk Management
- Global Security Office
- Compliance
- Business Continuity
- Physical Security
- Legal

Governance teams have Second Line responsibilities

Third Line of Defence
- Global Internal Audit

Global Internal Audit has Third Line responsibilities

Our risk profile

Our risk identification processes follow a dual approach:

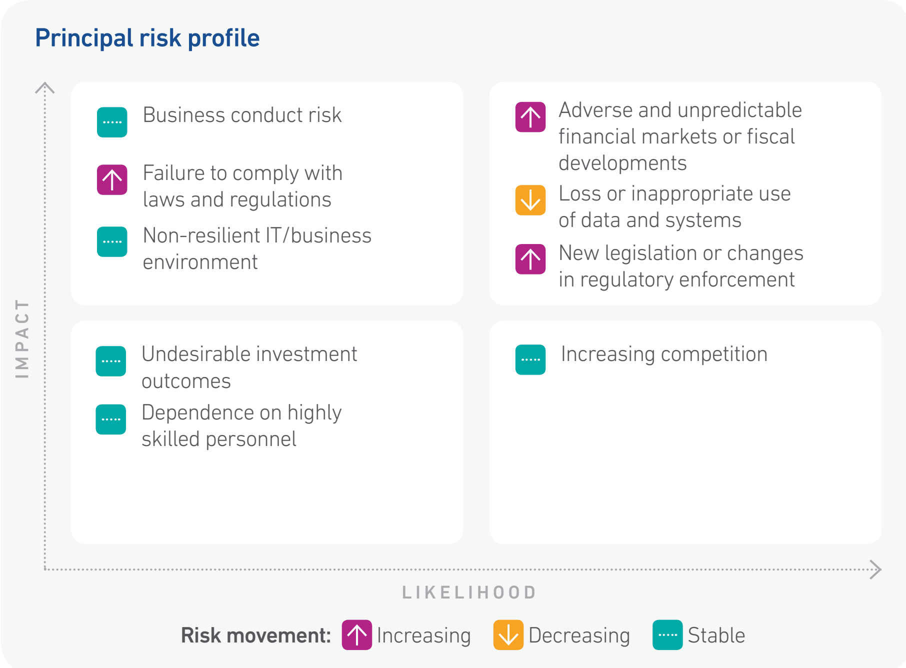
- A bottom-up approach at a business unit or country level. This identifies the risks that threaten an individual business unit activity. To provide visibility of issues across the business, we consolidate these risks at a regional and global level, then escalate to the Risk Management Committees.
- 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. Compared to last year, the principal risks remain the same (we have removed 'data ownership, access and integrity' as a standalone risk due to overlap with other risks, and the associated risk information is covered in other risk descriptions).

Our strategic focus areas

1. Make credit and lending simpler, faster and safer for consumers and businesses
2. Empower consumers to improve their financial lives
3. Help businesses verify identity and combat fraud
4. Help organisations in specialised verticals harness data and analytics to make smarter decisions
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 risk and control assessment methodology. We then prioritise them for mitigation. The Board and Audit Committee review the principal risks, of which there are currently nine, 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.



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 continues to change as both business and regulatory environments evolve. The pace of change and need for greater visibility across Experian is growing and we adapt our risk practices accordingly. We continue to make significant progress in advancing our Three Lines of Defence model.

In addition to known principal risks and the recent COVID-19 pandemic, we continue to identify and analyse emerging ones, and discuss as appropriate in different forums, including the ERMC and the Board's Audit Committee.

Some of the emerging risks we are currently considering include:

- Accelerating privacy regulation: regulators are becoming more active in interpreting and enforcing privacy regulations across existing regulations, and proposing new and more stringent privacy regulations in others. We closely monitor these developments and interact with regulators, legislators and other stakeholders to provide input.
- Review of insider threats: there is a range of information security initiatives for reviewing and, where needed, further improving controls related to insider threats.
- Environmental, social and governance (ESG) matters: the most significant environmental impact to Experian comes from our energy use related to running our global data centres and office buildings. In addition, changing levels of average temperatures lead to increased heating/cooling requirements for our operations. The Group has an Environmental Policy in place to address related matters, an Environmental Management System (EMS) designed to ISO 14001 standards that allows us to measure and monitor our direct environmental impact, and we have introduced details on governance and strategy into the Task Force on Climate-Related Financial Disclosures (TCFD) statement (see page 47). The Group is also committing to becoming carbon neutral in its own operations by 2030.

Principal risks

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 2020.

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

The emergence of COVID-19 has impacted several of our principal risks. We have implemented multiple senior management steering groups to understand, analyse and seek to mitigate the impact of COVID-19. Our first priority continues to be the health, safety and well-being of our employees, clients and consumers.

Some of the key activities within our pandemic response plans include:

- Providing guidance and support to staff, most of whom are working remotely.
- Closely monitoring infrastructure capacity and the security of our operations.
- Following guidance from government agencies and other health organisations.
- Serving and engaging with clients and vendors.
- Working with industry and regulators.
- Evolving our plans as necessary.

The impact of COVID-19 will be discussed in more detail in the individual risk sections in subsequent pages.

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 our 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.

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 with strong governance 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 threat.

We continue to upgrade 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.

With COVID-19, we continue to monitor the impact of most of our employees and third parties working remotely, including any potential exposure to vulnerabilities. We have taken technical measures to restrict, secure and monitor devices, and added compliance requirements for employees and third parties, especially those handling sensitive information.

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, pound 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 evolving financial 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

We continue to analyse the potential economic downturn and associated actions, particularly in our key markets.

With COVID-19, there is increasing likelihood of a global recession, the severity and duration of which may be mitigated through monetary and fiscal stimulus by various governments. We have conducted regression analyses to understand the impact of changes in economic conditions on Group revenues, and have considered different economic scenarios related to COVID-19 in our viability assessment. We also continue to closely monitor costs.

Further, there is additional potential for UK economic downturn driven by uncertainty about the future trading relationship between the UK and EU. This has also impacted the pound sterling which remains volatile.

Each region/business unit is responsible for maintaining recession plans.

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 are yet to be resolved.

The Colombian Tax Authority has raised a similar challenge on the deductibility of goodwill in respect of the 2014 and 2016 tax years.

Historic UK tax disputes continue to be discussed with Her Majesty's Revenue & Customs.

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	Risk movement
– Strategic – Operational	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, fines and/or changes in our business practices. 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, including any regulatory interpretations and associated implications. 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 continue to be considered and introduced, especially with continued occurrences of data breaches at other organisations, a global focus on privacy and a general trend towards more consumer control over data.

We highlight some significant updates below:

In the USA, the California Consumer Privacy Act (CCPA) that gives consumers additional rights related to information came into effect in January 2020 with enforcement starting in the middle of 2020. We expect to be compliant in advance of this date. Several other states are progressing privacy legislation similar to the CCPA, and there is potential for federal privacy legislation though this is uncertain at this point.

In Brazil, the new general data protection law (LGPD) enforcement date has been scheduled for August 2020, but is expected to be extended to 2021. We expect to be compliant in advance of this date. The new positive data law went into effect in July 2019, and we started to receive positive data in November 2019.

In India, a Data Protection bill was tabled in the Indian Parliament in December 2019. The law is expected to be enacted in the summer of 2020 with additional rules framed by a Data Protection Authority to be formed by the government.

Related to COVID-19, we have seen policy makers in some of our regions look to enact restrictions on the reporting of data to credit reference agencies during the crisis. We have taken industry-leading positions designed to protect consumers and educate lawmakers and regulators on the need to continue the responsible reporting of data, with safeguards, in order to help the economic recovery from the crisis.

Principal risks
continued

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
Increasing

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, damage to our reputation or significant changes to parts of our business. 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, including any regulatory interpretations and associated implications. Our business units put into place appropriate procedures and controls designed to ensure compliance.

Changes this year
We have faced regulatory and government enquiries and investigations in several jurisdictions. The risk of non-compliance is increasing in some jurisdictions.

In the UK, there are ongoing reviews by the Information Commissioner's Office and the Financial Conduct Authority. We work closely with these regulators to ensure they understand our practices and compliance positions, but these regulators could take differing positions and seek changes to our business practices.

Similarly in the USA, we continue to work with the Consumer Financial Protection Bureau and Federal Trade Commission. Over the past year, the number of US class action lawsuits has increased slightly. 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.

Related to COVID-19, we are closely monitoring call centre volumes and other indicators to ensure that we continue to adhere to statutory and regulatory deadlines. There is a potential for increased litigation if any capacity constraints on our side or at data providers result in missing statutory deadlines, such as for disputes.

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 this year we experienced isolated events that tested our plans and processes.

More recently, we put in place a global response group to mitigate risks associated with the outbreak and spread of COVID-19. Multiple workstreams are in place to ensure that the health, safety and well-being of our employees, clients and consumers are safeguarded. From an operational resiliency standpoint, we are closely monitoring our infrastructure and processes to manage our commitments to clients, consumers and regulators.

We believe that the current risk of non-resilient systems continues to be stable.

In addition, we provide training to our key responders (recent examples include data breach responses) and carry out periodic exercises to validate that our 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 global initiative is in progress to maximise business value and maintain leadership through accelerated technology transformation.

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 through policies, procedures and controls 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

There have been no significant changes. 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.

Related to COVID-19, we have taken industry-leading positions designed to protect and educate consumers, as well as to promote the responsible reporting of data, with appropriate safeguards, in order to help the economic recovery from the crisis.

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 employee 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 continue to transform our Talent Acquisition proposition to better attract talent to Experian. 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 continue to upskill 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 Survey. 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 are stable 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 to determine what further actions we need to take.

With COVID-19, we have kept the health and safety of our employees as the primary consideration of our pandemic response. Most of our employees are now working remotely.

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.

Principal risks
continued

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, available and feasible.

Alternative scoring models for consumer and commercial credit eligibility continue to enter our markets through our traditional competitors, financial technology companies, and others. We have invested to strengthen our data and analytics capabilities to pursue new opportunities and address threats.

A group of major banks in Brazil are starting to build a new credit bureau, 'Quod', that will include positive data. Quod is still early in its development and is not yet generating revenue in the market. We have responded with several important moves including securing long-term commercial relationships with Quod's founding banks, strengthening the depth and breadth of our data assets, and moving at pace to handle positive data in Brazil.

Our Consumer Services business in the USA faces competition from traditional competitors as well as alternative lead generation business models. We have responded by investing in our core capabilities, introducing new and innovative features to drive consumer engagement, and diversifying our business model through the introduction of paid-for and free offers, and a lending marketplace. In the UK, we have responded to the evolving market with our own free score offer, marketplace, and other new propositions.

In India, the Reserve Bank of India (RBI) had announced plans to establish a Public Credit Registry (PCR) but has yet to fully define how it will operate or begin development. While the full extent of competition with private credit bureaux in India is uncertain, we could see an impact on revenues related to credit information reports.

With COVID-19, we are working with our clients to help them navigate risk decisions, such as lending, in the current environment of economic uncertainty.

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 are 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.

Related to COVID-19, we are closely monitoring our acquisition pipeline. We are closely engaged with each of our minority investments to offer guidance and advice and, where appropriate, are providing commercial offerings that may be helpful to these companies. In addition, we continue to research any available opportunities for investment.

Viability assessment

Viability

Our business model and strategy are central to the understanding of our prospects and details on both of these areas can be found earlier in the Strategic report. They help explain our underlying purpose to create a better tomorrow, how we create value for our stakeholders and communities, and how our data and analytics are helping address the changing needs of consumers and businesses. Our strategy has enabled our business to grow and consistently deliver good financial results over the last decade, despite changes that may have occurred in the economic cycle or in our senior leadership team.

We consider current-year business performance and our future prospects by conducting a regular cycle of strategic planning, budgeting and forecasting. These processes appraise 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.

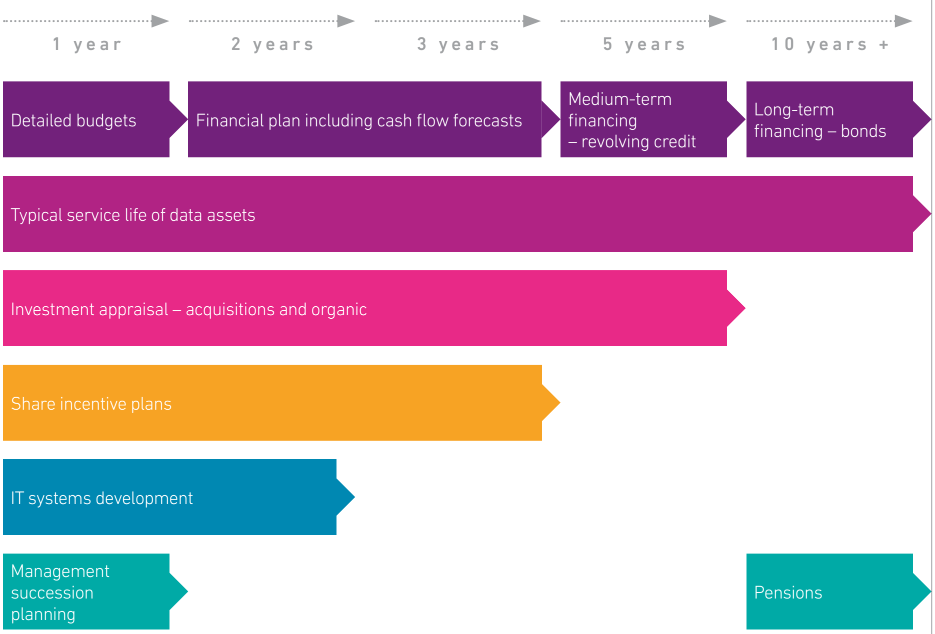
COVID-19

Our viability assessment and related disclosure has been enhanced this year in view of the ongoing uncertainty around the depth and duration of the global COVID-19 pandemic, and its potential macroeconomic impact. Our decisions and actions during this pandemic are based on the principles of protecting our people, ensuring our business remains strong and using our capabilities to help those financially affected to cope and recover – not only our clients and consumers – but also governments, communities and wider society.

Assessment period

There are a wide variety of time horizons relevant to the management of our business and some of these are highlighted in the chart below. In conducting our viability assessment we have focused on a three-year timeline because we believe our three-year financial planning process provides the most robust basis of reviewing the outlook for our business beyond the current financial year.

Time horizons affecting prospects



The assessment process and key assumptions

While we assess our prospects through various parts of our planning cycle, we specifically review our three-year growth expectations and the external environment as part of the annual strategic planning process. The Board participates in this review, using the January Strategy meeting as a focal point. We then develop our detailed annual budget together with an update to the financial plan for the two subsequent years.

This year, in view of the COVID-19 pandemic, we developed and presented an updated set of assumptions and scenarios at the 17 April 2020 Board meeting, which included a range of severity for FY21. These stress test scenarios form the base for our modelling, with our strategic plan growth rates thereafter. In light of current uncertainty forecasting the financial impact on Experian is difficult and the range of scenarios is broad. Some countries and businesses may be more heavily affected by the pandemic than others, in longevity and scale. In many of the markets for our services, demand is related to employment levels and other economic factors encapsulated within GDP metrics. GDP-related scenarios therefore provide a sensible range of assumptions from which to forecast a range of effects on our business. GDP forecasts suggest a severe decline in market demand for Q1 FY21 which slowly moderates through the remainder of the year. For the purpose of our viability assessment we have not forecast any rebound in these metrics in FY22, but a cautious assumption of a return to 'normal' levels of growth from the new lower base. Additionally, we assume the Group continues to achieve strong cash flow conversion, and the continued availability of all our committed bank borrowing facilities. Effective tax rates are assumed to be broadly stable (before the impact of any changes of legislation) over the medium term.

The Group had:

- undrawn committed bank borrowing facilities of US$2.2bn at 31 March 2020;
- only one borrowing facility covenant, requiring Benchmark EBIT to exceed three times net interest expense before financing fair value remeasurements (as at 31 March 2020 our cover is 11 times);
- Benchmark operating cash inflows of US$1.2bn and interest expense of US$0.1bn for FY20.

Viability assessment
continued

Assessment of viability
The table of principal risks earlier in the Strategic report summarises those that could hinder us from executing our strategy. Although all principal risks have the potential to affect future performance, only certain scenarios are considered likely to have the potential to threaten our overall viability as a business. We have quantified the financial impact of these 'severe but plausible' scenarios and considered them alongside our projected maximum cash capacity over a three-year cash period.

The most likely scenarios tested included:

- The loss or inappropriate use of data or systems, leading to serious reputational and brand damage, legal penalties and class action litigation. For this 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 or more of our major countries of operation, resulting in significant economic deterioration, currency weakness or restriction. For this we assessed the possible range of outcomes, beyond our base case, due to the COVID-19 pandemic.
- New legislation or changes in regulatory enforcement, changing how we operate our business. For this we assessed the maximum credible extent of simultaneous actions in two of our core markets and modelled the likely financial impacts after potential insurance recoveries.

COVID-19 considerations
Several features make the COVID-19 situation an unprecedented crisis and give rise to uncertainty in terms of assessing the financial impact. These features include the global scale and speed with which the economic downturn and corrections in expectations and financial markets were felt, as well as the swift recognition from governments around the globe that stimulus measures should be put in place to contain and mitigate much of the economic damage. Our viability scenario assumptions incorporate a significant shock to GDP in FY21, with no immediate rebound and a slow recovery over a two- to three-year period in order to adequately assess viability.

Our modelling also includes consideration of more severe possibilities, and shows that:

- under a base COVID-19 scenario we would, as a low point, be able to maintain the significant majority of our opening undrawn committed bank borrowing facilities;
- under a worst-case 'plausible but severe' scenario we would comfortably maintain sufficient undrawn capacity and satisfy all borrowing facility covenants;
- further significant headroom could be made available by scaling back capital investment or operating expenditure;
- in all scenarios our debt covenants would be comfortably satisfied.

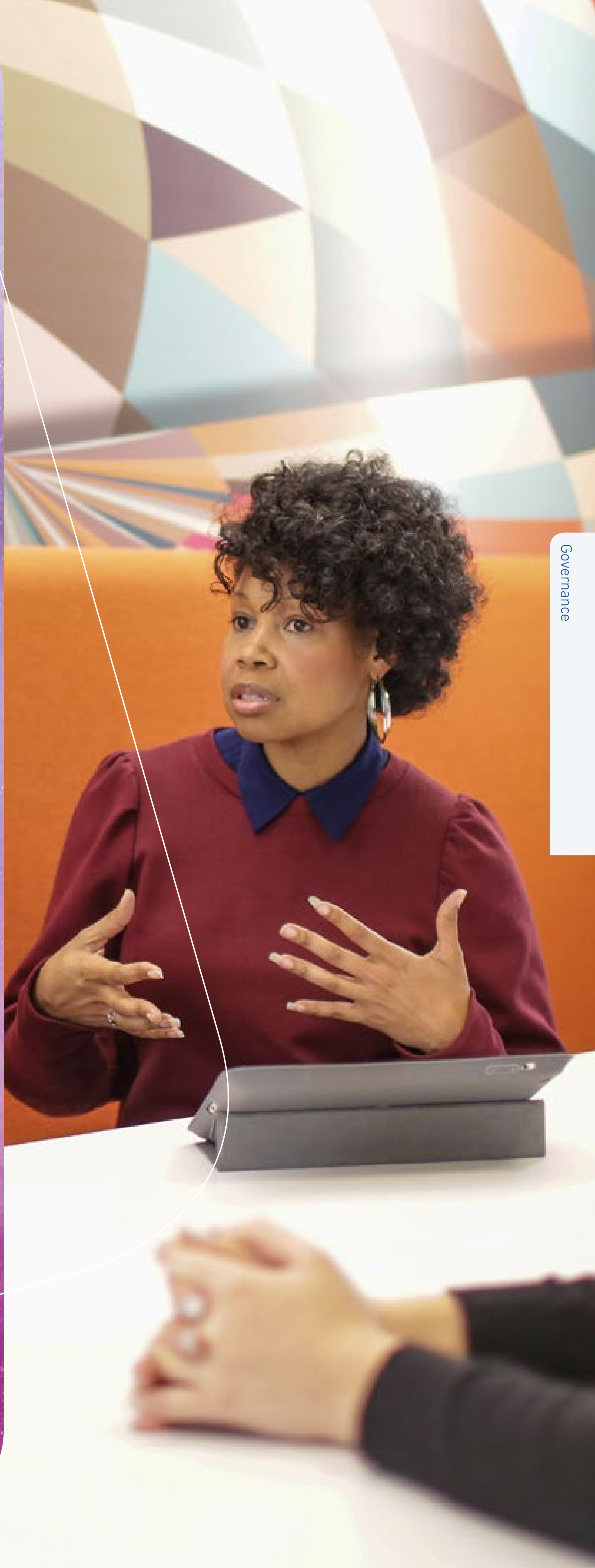
The results of the stress-testing show that, due to our diversified nature – which includes significant counter-cyclical protection, the resilience of the core business, its substantial free cash flows and its strong investment-grade credit rating – we would withstand the considered scenarios were these to occur during the forecast period, despite the impacts of COVID-19.

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 2023. 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, other than the ongoing uncertainty surrounding COVID-19, the near-term effects of which have been considered in the analysis, they are not aware of any.

Strategic report
This Strategic report was approved by a duly authorised committee of the Board of directors on 19 May 2020 and signed on its behalf by:

Charles Brown
Company Secretary
19 May 2020

Governance



In this section

74 Chairman's introduction
76 Board of directors
78 Corporate governance report
88 Nomination and Corporate Governance Committee report
93 Audit Committee report
100 Report on directors' remuneration
124 Directors' report

Chairman's introduction

Good corporate governance is key to promoting long-term sustainable success

Mike Rogers
Chairman

I am delighted to present my first corporate governance report as Chairman of Experian. The timing of my first report coincides with the first year in which Experian has reported on its governance under the latest Corporate Governance Code, published by the UK Financial Reporting Council (FRC) in July 2018 (the Code).

COVID-19

Of course, the timing of this report also coincides with the ongoing COVID-19 pandemic. We are deeply saddened at the loss of life, and recognise the impact that the pandemic is having on so many people worldwide. You will have read earlier about the actions we have taken as a business, including adopting a people-first approach.

When we last met together physically as a Board in January 2020 to consider the Group's strategy, none of us could have imagined how much the world would change over the following months. While still covering all the matters that needed to be covered as part of the Company's governance cycle, the March 2020 Board meeting was largely focused on the Group's response to the pandemic. We began the meeting by agreeing priorities and goals for the Board, and spent most of the meeting discussing the extensive people, societal and communications actions being taken, business continuity planning, liquidity and funding matters, business resilience and risk management. Since then, the Board has continued to meet in April and May, with COVID-19 as the main backdrop to the meetings, ensuring that we continue to oversee and guide the business appropriately at this extraordinary time.

UK Corporate Governance Code

We welcome the new Code and, as highlighted in last year's Annual Report, consider that many of the updated Code principles or provisions were already being adhered to or considered in some way, either by the Board or within the Experian business. However, cognisant of the importance that the Board places on governance, we have continued to review the Code, further enhancing existing elements of Experian's governance processes, and considering any resulting disclosures. In last year's Annual Report, we disclosed (voluntarily and early) on some of the new areas in the Code; for example, we demonstrated the work the Board does to monitor and assess culture, and we do so again in this year's report.

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

Board evaluation

A key element of good governance is an annual evaluation to ensure that the Board, its committees and Board members, are continuing to operate and perform effectively. The Code recommends (and the Board supports) an external evaluation at least every three years. Having had internally facilitated evaluations in the past two years, we commissioned an external evaluation this year, facilitated by Manchester Square Partners, who ran a very thorough and engaging process. Board members considered this year's evaluation to be a very positive engagement, and it was pleasing to note that the Board is functioning extremely well and in line with best practice governance.

Culture

The new Code emphasises the importance of culture and the Board recognises its role in monitoring, assessing and promoting a healthy culture throughout the business. The Board is responsible for setting cultural values and standards and it does this through its leadership of the Group, its own behaviours, and through the establishment and review of underpinning policies and codes of conduct which set the expectations of how the Group should operate, and how it fulfils its obligations to stakeholder groups.

Board composition

I was privileged to take up the role of Chairman following the conclusion of the Annual General Meeting in July 2019, when our previous Chairman, Don Robert, stepped down, as did Paul Walker, a non-executive director. We did not announce or make any further changes to the composition of the Board this year, and the recent Board evaluation confirmed that we have in place a strong, diverse Board, with a breadth and depth of complementary skills and experience.

We are also pleased that as at the date of this report women directors comprise 33% of our Board (meeting the Hampton-Alexander Review recommendation), and we also meet the recommendation of the Parker Review Committee in terms of ethnic diversity. The Nomination and Corporate Governance Committee continues to regularly review Board composition, structure and executive succession to ensure that the right skills, experience, characteristics and diversity are in place, and that any upcoming refreshment of the Board is well planned to ensure continuity.

Over the coming period, the focus of the Committee will be on the chairmanship of the Remuneration and Audit Committees, given the likely timing of scheduled non-executive retirements.

Stakeholder engagement

The new Code re-emphasised the importance of key stakeholders, the duty of the Board to understand their views and report on how their interests and the matters set out in Section 172 of the UK Companies Act 2006 are considered in Board decisions. Section 172 defines the duties of a company director and concerns the duty to promote the success of the company. The Board fully recognises the importance of considering the Company's responsibilities and duties to both its shareholders and broader stakeholders, and this has been how we have operated for many years. While Experian plc is a Jersey-incorporated company, the Board embraces Section 172 and in any event is required to comply with the Code or explain non-compliance. We have taken steps this year to confirm who our key stakeholders are, review the reporting that we receive on those stakeholders (including relevant engagement mechanisms) and make improvements where needed. We also put in place our arrangements for workforce engagement, which are described in the Report on directors' remuneration.

Conclusion

I hope you find this Governance report helpful in understanding the arrangements and processes we have in place at Experian, and what we have done to comply with the recommendations of the Code. I would encourage shareholders to use their proxy vote in respect of the Company's Annual General Meeting to be held on 22 July 2020.

Statement of compliance

For the year ended 31 March 2020, the Company complied with all the provisions of the UK Financial Reporting Council's Corporate Governance Code (as published in July 2018), the UK Financial Conduct Authority's (FCA) 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.

Application of the UK Corporate Governance Code 2018

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'). This governance section of the Annual Report explains how each of the Code principles, as set out below, has been applied.

Section 1: Board Leadership and Company Purpose

Principle A: A successful company is led by an effective and entrepreneurial board, whose role is to promote the long-term sustainable success of the company, generating value for shareholders and contributing to wider society. See pages 76 to 77.

Principle B: The board should establish the company's purpose, values and strategy, and satisfy itself that these and its culture are aligned. All directors must act with integrity, lead by example and promote the desired culture. See page 81.

Principle C: The board should ensure that the necessary resources are in place for the company to meet its objectives and measure performance against them. The board should also establish a framework of prudent and effective controls, which enable risk to be assessed and managed. See page 82.

Principle D: In order for the company to meet its responsibilities to shareholders and stakeholders, the board should ensure effective engagement with, and encourage participation from, these parties. See pages 83 to 85.

Principle E: The board should ensure that workforce policies and practices are consistent with the company's values and support its long-term sustainable success. The workforce should be able to raise any matters of concern. See page 85.

Section 2: Division of Responsibilities

Principle F: The chair leads the board and is responsible for its overall effectiveness in directing the company. They should demonstrate objective judgement throughout their tenure and promote a culture of openness and debate. In addition, the chair facilitates constructive board relations and the effective contribution of all non-executive directors, and ensures that directors receive accurate, timely and clear information. See page 86.

Principle G: The board should include an appropriate combination of executive and non-executive (and, in particular, independent non-executive) directors, such that no one individual or small group of individuals dominates the board's decision-making. There should be a clear division of responsibilities between the leadership of the board and the executive leadership of the company's business. See page 86.

Principle H: Non-executive directors should have sufficient time to meet their board responsibilities. They should provide constructive challenge, strategic guidance, offer specialist advice and hold management to account. See pages 87.

Principle I: The board, supported by the company secretary, should ensure that it has the policies, processes, information, time and resources it needs in order to function effectively and efficiently. See pages 86 to 87.

Section 3: Composition, Succession and Evaluation

Principle J: Appointments to the board should be subject to a formal, rigorous and transparent procedure, and an effective succession plan should be maintained for board and senior management. Both appointments and succession plans should be based on merit and objective criteria and, within this context, should promote diversity of gender, social and ethnic backgrounds, cognitive and personal strengths. See page 90.

Principle K: The board and its committees should have a combination of skills, experience and knowledge. Consideration should be given to the length of service of the board as a whole and membership regularly refreshed. See page 89.

Principle L: Annual evaluation of the board should consider its composition, diversity and how effectively members work together to achieve objectives. Individual evaluation should demonstrate whether each director continues to contribute effectively. See page 91.

Section 4: Audit, Risk and Internal Control

Principle M: The board should establish formal and transparent policies and procedures to ensure the independence and effectiveness of internal and external audit functions and satisfy itself on the integrity of financial and narrative statements. See page 96.

Principle N: The board should present a fair, balanced and understandable assessment of the company's position and prospects. See page 96.

Principle O: The board should establish procedures to manage risk, oversee the internal control framework, and determine the nature and extent of the principal risks the company is willing to take in order to achieve its long-term strategic objectives. See pages 98 to 99.

Section 5: Remuneration

Principle P: Remuneration policies and practices should be designed to support strategy and promote long-term sustainable success. Executive remuneration should be aligned to company purpose and values, and be clearly linked to the successful delivery of the company's long-term strategy. See page 105.

Principle Q: A formal and transparent procedure for developing policy on executive remuneration and determining director and senior management remuneration should be established. No director should be involved in deciding their own remuneration outcome. See pages 100 to 101, and 115.

Principle R: Directors should exercise independent judgement and discretion when authorising remuneration outcomes, taking account of company and individual performance, and wider circumstances. See pages 102 to 103.

Board of directors

Mike Rogers (55)

Chairman

Appointed to the Board on 1 July 2017, and as Chairman (and Chairman of the Nomination and Corporate Governance Committee) on 24 July 2019.

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

Skills and contribution: 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, during which time he grew the organisation into a significant player in the life and general insurance market. Before that, Mike was with Barclays plc for more than 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.

Brian Cassin (52)

Chief Executive Officer

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 and sits on its Audit and Nomination Committees.

Skills and contribution: Brian brings strong leadership, a clear view of strategic objectives and decisive management skills to this role. He 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 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 (48)

Chief Financial Officer

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 and contribution: 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, 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.

Luiz Fleury (64)

Non-executive director

Appointed to the Board on 8 September 2015.

Other current roles: Luiz is a Board member of Carrefour Brazil (the trading name of Atacadão S.A.) and Magnoxpus, Inc.

Skills and contribution: 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, Banco Ibi and FHV Holdings Ltda.

Deirdre Mahlan (57)

Non-executive director

Appointed to the Board on 1 September 2012.

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

Skills and contribution: Deirdre is a qualified accountant with an MBA and has many years' experience in senior finance and general management roles. Her financial expertise and experience ensure effective leadership of our Audit Committee. Deirdre also brings us the benefits of 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.

George Rose (68)

Deputy Chairman and Senior Independent Director

Appointed to the Board on 1 September 2012, as Deputy Chairman and Senior Independent Director on 16 July 2014 and as Chairman of the Remuneration Committee on 24 July 2019.

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

Skills and contribution: 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 and Director of Finance and Treasury 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.

Kerry Williams (58)
Chief Operating Officer

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 and contribution: Kerry holds an MBA 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 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.

Company Secretary: Charles Brown FCG

Independent Auditor: KPMG LLP, Chartered Accountants and Recognized Auditor

Au Member of the Audit Committee

Nm Member of the Nomination and Corporate Governance Committee

Re Member of the Remuneration Committee

Committee Chairman

Au Nm Re

Dr Ruba Borno (39)
Non-executive director

Appointed to the Board on 1 April 2018.

Other current roles: Ruba is a Senior Vice President and General Manager at Cisco.

Skills and contribution: 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. 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 sat on the Board of The Tech Museum of Innovation in Silicon Valley. She 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.

Au Nm Re

Caroline Donahue (59)
Non-executive director

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 and contribution: 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; and Vice President and Director of Sales. She also held sales and channel management roles at Knowledge Adventure, NeXT Computer and Apple, Inc.

Corporate governance report

Board

Role of the directors

The Board is responsible for setting the Company's purpose, values and strategy, and ensuring that the necessary resources are available for long-term sustainable success, to generate value for shareholders and contribute to wider society. In January each year, senior management presents the proposed strategic plan to the Board, including clarity of purpose around the key roles that Experian plays in society and our associated responsibilities. This takes place over two days and allows the Board to review, debate and 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 will allow us to deliver our aspirations, for example: investing to ensure data, analytics and decisioning products remain market leading; building relationships with consumers; growing our innovation capabilities; and continuing to build a high-performance culture. 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, taking into consideration this year the changing economic outlook due to COVID-19. 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 under Audit, Risk and Internal Control on page 98.

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 on page 82.

In addition, the Board has reserved decisions about certain key activities to itself, 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 of major acquisitions and disposals.

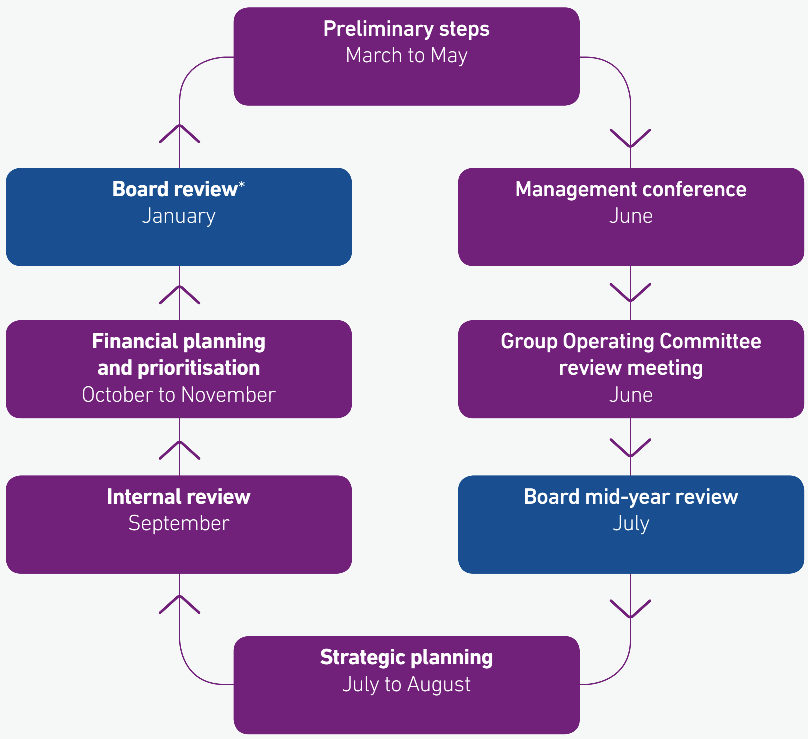
D. **Communication** – approval of key stakeholder documents, circulars, prospectuses, and reviewing investor sentiment.

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 80.

A high-level statement of the types of decisions that have been delegated by the Board is shown in the Governance framework diagram on page 82.

Strategic planning process



* Including two days of strategy presentations.

Board meetings

The Board meets sufficiently frequently 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. In addition to its formal meetings, the Board reviewed the Asia Pacific business and its strategic priorities with the Asia Pacific regional management team in Dublin in September 2019.

2019

May
Board and committee meetings

July
Board and committee meetings

September
Board and committee meetings. Review of Asia Pacific business with regional management

November
Board and committee meetings

January
Board and committee meetings, including two days of strategy presentations from global and regional management

March
Board and committee meetings

2020

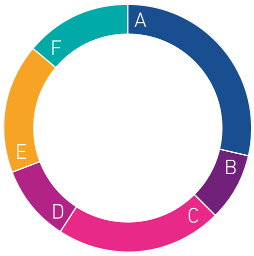
Attendance at Board and principal committee meetings

	Board	Nomination and Corporate Governance Committee	Remuneration Committee	Audit Committee
Current directors				
Mike Rogers	6/6 – 100%	6/6 – 100%	4/4 – 100%	2/2 – 100%
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%	6/6 – 100%	4/4 – 100%	5/5 – 100%
Caroline Donahue	6/6 – 100%	6/6 – 100%	4/4 – 100%	5/5 – 100%
Luiz Fleury	6/6 – 100%	6/6 – 100%	4/4 – 100%	5/5 – 100%
Deirdre Mahlan	6/6 – 100%	6/6 – 100%	4/4 – 100%	5/5 – 100%
George Rose	6/6 – 100%	6/6 – 100%	4/4 – 100%	5/5 – 100%
Past directors				
Don Robert (to 24 July 2019)	2/2 – 100%	2/2 – 100%	n/a	n/a
Paul Walker (to 24 July 2019)	2/2 – 100%	2/2 – 100%	1/1– 100%	2/2– 100%

Corporate governance report
continued

What did the Board do this year?

The Board's key activities during the year



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

A. Strategy and management

- Evaluated and debated presentations from management at the annual two-day strategy sessions, and approved the Group's strategy for FY21.
- Received and considered the key initiatives and strategy update as part of the ongoing strategic planning cycle.
- Reviewed operational and financial updates from the Chief Executive Officer, the Chief Operating Officer and the Chief Financial Officer at each scheduled Board meeting – these included updates on major initiatives, including the Group's continuing technology transformation.
- Reviewed monthly reports, including details of performance against budget and the Group's financial position and stakeholder updates.
- Reviewed and discussed regulatory and compliance matters with the Group General Counsel at Board and Audit Committee meetings, including updates on ongoing engagement, current issues, potential impacts and plans.
- Reviewed and approved risk appetite statements for 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 and approved the issue of US$750m 2.75% Notes due 2030 and approved new bilateral banking facilities.
- Discussed and reviewed the Group's budget presentation for FY21 in the light of COVID-19 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

- Reviewed and approved several strategic acquisitions, including:
  - MyHealthDirect, a US business specialising in digital co-ordination capabilities for healthcare providers in the USA.
  - Auto ID a leading provider of solutions and services to automotive lenders in the USA.
  - Look Who's Charging, a leading provider of transaction enrichment and categorisation technology to banks in Australia.
  - Sentinel Peru, one of the leading credit bureaux and information services businesses in Peru.
  - A controlling interest in RAM Credit Information, a leading credit bureau in Malaysia.
- Considered and approved investment for credit bureau re-platforming, and discussed the Group's ongoing initiative to modernise the technology environment.
- 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 and noted investor sentiment regarding the Board and senior management.
- Through the Remuneration Committee, engaged extensively with shareholders on proposed remuneration arrangements for FY20 and FY21 and for the 2020 renewal of the Directors' remuneration policy.
- The Chairman met with a number of the Company's largest shareholders during the year, and the Remuneration Committee Chairman met with the Experian People Forum in the UK.

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.
- Discussed the external Board evaluation findings and agreed areas of focus, authorised Board members' potential conflicts of interest and approved the annual re-election of Board members.
- Considered and approved 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.

Culture

The role of the Board regarding culture has been emphasised in the 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, is underpinned by the following Principles – Integrity, Fairness, Data Security and Value. These Principles help us to create a vibrant ethical performance culture. We continue to 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 Code.

We were particularly pleased that this year's external Board effectiveness evaluation noted that there was an excellent focus on Board culture, employee engagement and developing talent, with a multitude of opportunities (as described in the table) for the Board to meet Experian people, assess potential and see culture in action. The report also noted that the Board recognised the importance of values and culture to what Experian has delivered to date, and is leading by example in the way it acts and engages.

Examples of ways that the Board monitors and assesses culture

Who	What
The Board	• The Chief Executive Officer's report, circulated before every scheduled Board meeting, contains a specific culture update. • The Board considers 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.
Board members	• Visiting Group business locations enables the Board to spend time with employees of varying seniority and assess culture in a local context.
Audit Committee	• Interactions with government, regulators and Global 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 an 'Overview of employee pay' update 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. • The Committee Chairman met with the Experian People Forum in the UK in November 2019, and provided feedback to the Board at its January 2020 meeting. • Reviews our UK gender pay gap disclosures every year, on behalf of the Board.
Nomination and Corporate Governance Committee	• In January, the Committee discussed a talent and culture update with the Global Talent and Engagement Director, which included details of strategic priorities and progress, workforce challenges by region, global HR priorities, the continued evolution of the Experian workforce and the positive progress of talent and culture initiatives.

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 is 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.

Corporate governance report
continued

Governance framework

Global Delegated Authorities Matrix

This key Group governance 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 76 to 77

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 88

Audit Committee

See report on page 93

Remuneration Committee

See report on page 100

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.

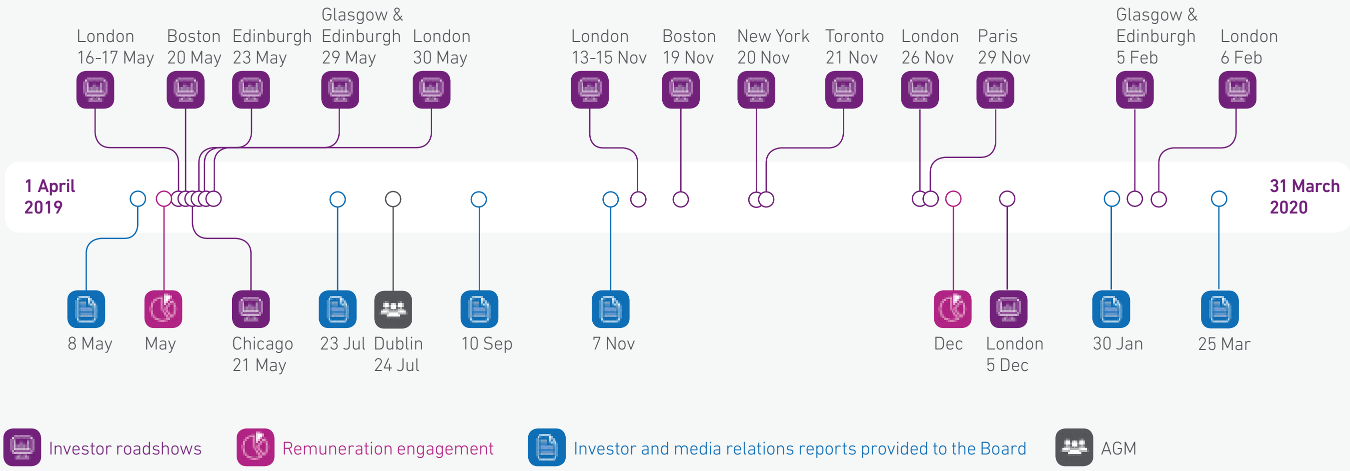
Strategic project committees (global and regional)

- 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.

Global Internal Audit

- Global Internal Audit (GIA) conducts a range of independent audit reviews throughout the Group during the year and is represented at each Audit Committee meeting. GIA'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 Global Risk Management. GIA also makes use of risk assessment information at a business level, in planning and conducting its audits.

Timeline of shareholder engagement



Shareholder and stakeholder engagement

The Code encourages companies and boards, including committee chairs, to seek regular engagement with major shareholders in order to understand their views. Boards are also encouraged to have a clear understanding of the views of shareholders.

In addition, a new feature of the Code is that the Board should understand the views of the Company's other key stakeholders and describe how their interests have been considered in discussions and decision-making. Details regarding key stakeholders are on page 84.

Shareholders

We are committed to open and regular communication and engagement with shareholders at any time of the year, and our communications with them and with others will always offer invitations to meet with the Chairman or any of the Board's committee chairs.

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, and the Chief Communications Officer provides regular updates at Board meetings.

Engagement with investors

The Chairman personally met with a number of our most significant shareholders in November and December 2019, and discussed a broad range of matters with them. In December 2019, the Chairman of the Remuneration Committee wrote to our major shareholders and the main UK and US shareholder bodies, regarding proposed new executive director pension provision and post-employment shareholding requirements.

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 full-year 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, Chicago, Edinburgh, Glasgow, London, New York, Paris and Toronto.

Annual General Meeting

The AGM provides a valuable opportunity for the Board to communicate with shareholders. All directors attended the 2019 AGM, including the Audit, Remuneration, and Nomination and Corporate Governance Committee chairmen. The 2020 AGM will take place on Wednesday 22 July 2020 in Dublin, Ireland. Shareholders are encouraged to use proxy voting on the resolutions put forward, all of which (except for procedural resolutions) are taken by a poll. In 2019, voting levels at the AGM were 73% of the Company's issued share capital.

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.

Investor relations app

This contains information about our financial performance, together with reports, presentations and news of upcoming events.

Website

Our website is an important channel for communicating with all stakeholders, including shareholders. All material information reported to the regulatory news services is published at www.experianplc.com/investors/regulatory-news/ together with copies of full-year and half-year results announcements and trading updates.

Corporate governance report
continued

Other stakeholders

The Board and the Nomination and Corporate Governance Committee reviewed and discussed the UK Corporate Governance Code and the associated Guidance on Board Effectiveness. In order to build on compliance with the new Code obligations around stakeholders, and reflecting the associated guidance, the Board and its committees took the following actions during the year:

- Reviewed the Board's Schedule of Matters Reserved to ensure that they were aligned to the new Code.
- Undertook an exercise to confirm the Group's key stakeholders, including shareholders.
- Reviewed regular Board reporting to ensure that the Board was adequately updated to understand the views of key stakeholders.
- Agreed the method by which it would ensure ongoing engagement with the Experian workforce.

Information on Group-wide engagement with key stakeholders is on pages 22 and 23 in the Strategic report. Board activities regarding key stakeholders, including engagement, are summarised in the table opposite. Shareholder engagement has been considered above.

Considering our stakeholders in our decision-making

The Code also recommends that the Board should describe how stakeholder interests have been considered in Board discussions and decision-making. Identifying our key stakeholder groups was an important step. It allows us to ensure that they are considered in Board decision-making. 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) and feed them into Board decision-making.

All material business cases considered in the Group (for example, mergers, acquisitions and major capital investments) include an analysis of stakeholder impact considerations, anticipated impact and mitigations. This process, which has been reinforced, helps the Board to perform the duties outlined in Section 172 of the UK Companies Act 2006 and provides assurance to the Board that potential impacts on stakeholders have been considered in the development of the proposal.

An example of how this process works in practice is outlined on page 85, where Board consideration of a strategic acquisition included the review of the standing stakeholder impact analysis.

Stakeholder	Responsibility	Relevant activities during FY20
Our clients and consumers	Board	• The Board report in March includes an update on clients and consumers, including (for client) Net Promoter Score (NPS) metrics, top-performing NPS attributes and areas that require improvement. • On consumers, the reporting includes brand awareness, trust in the Experian brand and the level of complaints.
Our communities	Board	• The Chief Executive Officer reports on corporate responsibility at each Board meeting. • At least once a year, the Global Head of Corporate Responsibility presents to the Board. Highlights this year included community investment trends, and social innovation and community partnerships updates.
Our people	Board, Nomination and Corporate Governance Committee, Remuneration Committee	• People Survey updates to the Board. • Board reporting at every scheduled Board meeting (Human Resources section of the Board report). • Talent and culture update to the Nomination and Corporate Governance Committee. • Direct feedback to the Board from George Rose, Remuneration Committee Chairman, who met with the Experian People Forum in the UK in November 2019. • Board interactions with employees on site visits. • Confidential Helpline updates to the Audit Committee.
Our suppliers	Board	• Annual update to the Board on suppliers, which includes details of engagement, the Group's Supplier Relationship Management Programme and supplier views. • Annual Board review of the Group's Modern Slavery Statement.
Governments	Board, Audit Committee	• Board members receive regular Board and Audit Committee updates from the Group General Counsel regarding regulatory engagement, and any ongoing regulatory matters. • There is ongoing Compliance reporting to the Audit Committee, including biannual Compliance training. • Audit Committee Risk Management reporting includes legislative/regulatory matters. Any relevant government affairs matters are also considered by the Audit Committee and the Board.

Acquisition of MyHealthDirect, Inc.

In July 2019, the Board approved the acquisition of MyHealthDirect, a US business specialising in digital co-ordination capabilities for healthcare providers in the USA for a total consideration of US$55m.

MyHealthDirect provides tools to make it easier for people to access and pay for their healthcare. Their SaaS-based digital care co-ordination helps to simplify and automate the appointment, scheduling and payment process for healthcare providers and for patients. A briefing paper was circulated to the Board ahead of its July 2019 meeting, outlining the strategic rationale for the transaction, as well as the financial evaluation and deal structure. The Group's Chief Investment Officer attended the meeting, and presented the business case to the Board. The Board noted that MyHealthDirect aligned with Experian Health's strategic priorities and that, over time, Experian's Health business would integrate scheduling and care co-ordination products with its administrative, financial, and identity solutions to create new and unique value propositions for providers, payers and patients.

In considering the acquisition, the Board reviewed the stakeholder impact analysis which had been prepared, and which identified the following stakeholder impacts and actions/mitigations:

- Evaluation of the acquisition indicated that it was expected to have a meaningfully positive long-term impact on all relevant stakeholders, including customers and employees of the acquired business.
- In particular, Experian and MyHealthDirect would provide customers with user-friendly tools that focus on access, convenience and choice.
- Customer diligence had indicated a high level of enthusiasm about Experian owning the business, in particular the future product opportunities from the combined organisation.
- There were no immediate labour reductions planned for the business, and the investment case included providing for key employee retention.
- There was no material community or environmental impact anticipated.
- Customers and suppliers of the acquired business were expected to react positively to a well-capitalised, listed company being its parent and trusted partner.

Workforce policies and practices

The Board is required to ensure that: workforce policies and practices are consistent with the Company's values; that they support its long-term sustainable success; and that the workforce can raise any matters of concern. An example of the alignment of policies and practices is how the Group manages anti-bribery and anti-corruption. Experian has a strong compliance culture, which is at the heart of our strategy for ensuring we comply with both the laws that apply to our business and with our Global Code of Conduct. The Board sets the tone and leads by example and is one of the most important influences on the Company's commitment to preventing 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 also extend this framework to our third-party network and business partners, which helps to instil our values in every aspect of our business. We apply due diligence and careful screening to intermediaries such as agents, representatives, resellers and service providers, and train them in our policies.

In terms of the ability to raise matters of concern, Experian is committed to achieving the highest possible standards of quality, honesty, openness and accountability, and there is an expectation that employees maintain high standards in accordance with the Global Code of Conduct. There is also a culture of openness and accountability, and all employees are encouraged to raise any concerns about the way in which the business is run at an early stage so that any concerns can be dealt with effectively. A confidential helpline facilitated by an external provider has been set up for employees who wish to raise, at an early stage, any concerns they may have. Calls to the Confidential Helpline and any required actions taken are reviewed by the Audit Committee at least every six months.

Corporate governance report
continued

The Code principles regarding the role of the Chairman, the desired characteristics of the Chairman and his duty regarding Board relations and contributions are outlined in the Chairman's letter of appointment. A summary appears in the table below, along with the division of responsibilities between the Chairman and the Chief Executive Officer. The table also summarises the key responsibilities and roles of the executive directors, the non-executive directors, the Senior Independent Director, the Group Company Secretary and the Group General Counsel.

Chairman	Running the Board effectively and ensuring that the Board plays a full and constructive part in developing and determining 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 Ensuring that the Board receives accurate, timely and clear information on the Group's performance and its issues, challenges and opportunities Ensuring effective communication with the Company's shareholders by the CEO, the CFO and other executive management; and ensuring that the Board develops an understanding of the views of the Company's major shareholders Facilitates the non-executive directors' effective contribution to the Board, and ensures constructive relationships between the executive and non-executive directors Primarily responsible for the Board's leadership and governance, ensuring its effectiveness
Chief Executive Officer	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 Accountable to the Board for the Group's development and its operations Running the Group's business and developing the Group's strategy and overall commercial objectives Implementing, with the executive team, the decisions of the Board, its committees and the principal subsidiaries 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 Leading the communication programme with shareholders Chairing the Group Operating Committee
Chief Financial Officer	Responsible for managing the financial affairs of the Group, including tax, corporate finance and treasury Works closely with the CEO and COO to manage the Group's operations Member of the Group Operating Committee
Chief Operating Officer	Oversees the Company's business operations, including information security Ensures the Group has effective operational procedures and controls Responsible for driving the evolution of the Group's technology and innovation strategy Member of the Group Operating Committee
Senior Independent Director	Provides support and guidance, acts as a sounding board for the Chairman, and serves as an intermediary for other directors Acts as a contact point for shareholders if they have concerns which are not resolved through discussion with the Chairman, CEO or CFO Evaluates the performance of the Chairman
Non-executive directors	Constructively challenge and help develop Group strategy Scrutinise management performance against agreed goals and objectives Uphold the highest standards of integrity and probity and support the Chairman in instilling the appropriate culture, values and behaviours in the Group Ensure the integrity of financial information and that there are robust financial controls and systems of risk management; determine executive remuneration and succession planning
Group Company Secretary	Secretary to the Board and its committees Provides support and guidance to the Board and the Chairman, and acts as an intermediary for non-executive directors Responsible for: corporate governance; listing rules, prospectus rules, and disclosure guidance and transparency rules compliance; statutory compliance and reporting; shareholder services; and corporate responsibility Member (and secretary) of the Group Operating Committee
Group General Counsel	Responsible for overseeing Experian's global legal, risk management, regulatory compliance and government affairs functions Provides the Board and Audit Committee with legal advice, leads on legal, risk and regulatory reporting, and active in public policy advocacy Member of the Group Operating Committee

Non-executive director 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, each of three years' duration.

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.

Board information

All directors receive financial and operational information each month to help them discharge their duties. Board papers are circulated digitally one week before each Board meeting, to ensure directors have time to review them. 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 2020.

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.

Nomination and Corporate Governance Committee report

Mike Rogers
Chairman of the Nomination and Corporate Governance Committee

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.

Members

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

Quick facts

- Mike Rogers was appointed Chairman of the Committee in July 2019, when he was appointed as Chairman of the Company.
- The Board considers five of the six Committee members to be independent non-executive directors, in line with the UK Corporate Governance Code.
- The Committee met six times during the year ended 31 March 2020.
- The Group Human Resources Director and 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/

I am very pleased to summarise the work done by the Committee during the year, and provide some detail of the Committee's principal roles and responsibilities. Following my report, there are updates on diversity and this year's Board evaluation.

A change in chairman is an important moment for any company. A key focus for the early part of the year, before I took up my role as Chairman, was the consideration and recommendation by the Committee (under George Rose's leadership) of my appointment as Chairman, as successor to Don Robert. A robust and detailed appointment process was followed. In addition, I took up the role of Nomination and Corporate Governance Committee Chairman, while George Rose was appointed as Chairman of the Remuneration Committee.

The change in chairmanship coincided well with the timing of our external Board evaluation (recommended at least every three years by the Code). In September 2019, we reviewed and approved the structure and format of the FY20 external Board evaluation, and we later appointed the external evaluator. You can read more on the process and outcomes on pages 91 to 92.

A key responsibility of the Committee is to ensure plans are in place for orderly succession to Board and senior management positions, and the Committee reviews these regularly. In September 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 has also maintained its focus on the executive talent pipeline and senior management succession plans within Experian, reflecting the Board's responsibility to ensure appropriate plans are in place. An update was provided at the January 2020 Committee meeting, and the Committee received and debated an update on thinking and plans. At that meeting, we also received a detailed global talent and culture update from our Global Talent and Engagement Director. The Committee confirmed that there was good continued progress.

The Committee was in place throughout the year ended 31 March 2020.

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 both 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; considering 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 FY20

May

- As highlighted in the 2019 Annual Report, a key area of focus for this year was to ensure that the new Chairman had the right competencies and attributes. Following an in-depth appointment process, the Committee recommended to the Board the appointment of Mike Rogers as Chairman, and as Chairman of the Nomination and Corporate Governance Committee, and the appointment of George Rose as Remuneration Committee Chairman.

July

- Discussed a detailed AGM briefing from the Company Secretary and the Chief Communications Officer, including proxy votes submitted, shareholder feedback and engagement that had taken place in the lead-up to the AGM.

September

- Discussed in detail the structure, size and composition of the Board and its committees. Key future considerations include the preferred timing for future non-executive director recruitment, required areas of expertise and Committee Chairman succession.
- Discussed and agreed the proposed process and focus areas for the FY20 Board evaluation.

November

- Recommended to the Board the re-appointment of Caroline Donahue as a non-executive director for a further three-year term to the end of 2022.
- Commenced important discussions on succession for the roles of Remuneration Committee Chairman, Audit Committee Chairman and Senior Independent Director.
- Reviewed the Committee's performance during the year against its terms of reference.
- Approved the external evaluator for the FY20 Board evaluation.

January

- Reviewed and discussed a talent and culture update, including the evolving nature of work and the workplace, and how HR priorities feed into the Group strategy.
- Reviewed an update on executive succession, including specific plans for key operational and functional roles.

March

- Received and considered a Board succession update.
- Recommended to the Board the directors due to be considered for re-election at the 2020 AGM.
- Considered the annual company law and governance update, and reviewed and received updates from the Company Secretary on a range of corporate governance developments.

Composition

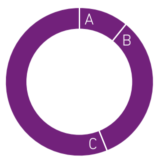
The Board currently comprises the Chairman, Mike Rogers, three executive directors and five independent non-executive directors, including the Deputy Chairman, George Rose. Mike Rogers succeeded Don Robert as Chairman with effect from 24 July 2019, and Paul Walker stepped down on that date as a non-executive director of the Company. Also on that date, Mike Rogers became Chairman of the Nomination and Corporate Governance Committee, and George Rose became Chairman of the Remuneration Committee.

Board composition

As at the date of approval of the Annual Report

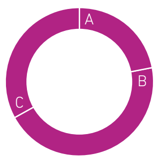
Balance of executive and non-executive directors

A. Chairman	11%
B. Executive	33%
C. Independent non-executive	56%



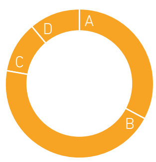
Length of tenure of directors

A. 1 to <3 years	22%
B. 3 to <6 years	45%
C. 6 to <9 years	33%



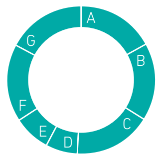
Ethnic heritage

A. North American	33%
B. European	45%
C. Middle Eastern	11%
D. South American	11%



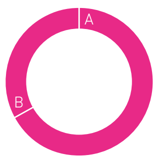
Non-executive director skills

A. Financial services	17%
B. Consumer	17%
C. Technology/Information	17%
D. Consumer packaged goods	7%
E. Manufacturing/ Large projects	8%
F. Financial qualifications	17%
G. Serving listed company executive	17%



Balance of male and female directors

A. Male	67%
B. Female	33%



Nomination and Corporate Governance Committee report
continued

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.

As disclosed in last year's Annual Report, Russell Reynolds were engaged as the specialist search firm involved with the appointment of the new Chairman. They also provide other executive search services to the Group but have no other connection to Board members.

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

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 consider directors' feedback and are continually updated and improved.

As well as visits to the business, the Board also receives requisite and appropriate updates throughout the year. This year, sessions included:

- An update to the Audit Committee on the future of the external audit industry, potential impacts on Experian and actions that Experian could take in anticipation.
- An external update to the Remuneration Committee on trends in remuneration and corporate governance.

In September 2019, management from Asia Pacific presented business updates to the Board, and spent time with the Board discussing progress and challenges in the region. Topics covered and discussed included the strategic vision for the region, innovative game-changing initiatives and products, corporate development plans and the focus on our people and culture in the region.

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 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 at the 2019 AGM the female representation of the Board is 33%, which meets the current Hampton-Alexander Review recommendation of 33%. In addition, the February 2020 Parker Review Committee update confirmed that we met its Board ethnic diversity recommendation. 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.

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 ongoing initiatives to support a work environment in which 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.

Board evaluation

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 have an externally facilitated evaluation at least once every three years.

FY20 was Year 1 of our Board's three-year review cycle. An external evaluation was conducted by Manchester Square Partners (who have no other connection with the Group or Board members, save that one Board member sits on a board which used Manchester Square Partners for an external evaluation in 2016/17) to provide the Board with greater insights into its performance and to identify opportunities to further increase and improve its overall effectiveness.

Steps taken in respect of Board, committee and director evaluations:

2019 → **2020**

September
- Audit and Nomination and Corporate Governance Committees review their own performance and terms of reference
- Nomination and Corporate Governance Committee discusses and agrees process and focus areas for the Board evaluation

November
- Remuneration Committee reviews its performance and terms of reference
- Nomination and Corporate Governance Committee approves the appointment of Manchester Square Partners

January – March
- Chairman reviews performance of directors
- Manchester Square Partners conducts interviews and reviews papers

May
Board reviews output report of the evaluation and approves new FY21 focus areas

July
Nomination and Corporate Governance Committee develops an action plan for report recommendations

Manchester Square Partners was engaged in November 2019 and, following meetings with the Chairman and the Company Secretary to agree the scope and relevant topics for consideration, set about reviewing meeting papers from the previous 12 months. Board members were sent a briefing note, including an outline of the interview framework, ahead of individual meetings, lasting at least one hour in each case, with Manchester Square Partners from January to March 2020. The principals of Manchester Square Partners then observed the Board, Audit, Remuneration, and Nomination and Corporate Governance Committee meetings in March 2020, via video due to COVID-19 restrictions, to gain further insight into Board members' interactions and Board and committee performance. Manchester Square Partners noted that the timing of the meetings they observed provided them with a privileged opportunity to observe the Board at a time of global crisis. Their impression was that the Board was calm, considered, people-centred and focused on society, as well as engaged with the financial and business operation impacts.

Following the above, the Chairman and Company Secretary met with Manchester Square Partners to review and discuss the initial findings.

An evaluation report was ultimately prepared, and presented to the Board by Manchester Square Partners at the May 2020 Board meeting. The report included details of the context of the review (including a new Chairman), summary observations and details of each area reviewed, which included strategy development and review, operational challenges and perceived risks, relations with stakeholders, talent management and succession planning, the Board's role and dynamics, Board composition, succession and engagement, and purpose, values and culture.

The FY21 focus areas agreed by the Board, taking account of the specific outputs of the evaluation process, are on the following page, and an update of progress against the areas of focus the Board agreed as part of the previous year's evaluation is also provided. An action plan will be developed covering the report recommendations, for consideration by the Nomination and Corporate Governance Committee at its July 2020 meeting.

Overall, the conclusion of the evaluation was that the Board is functioning extremely well and in line with first-class governance. Board dynamics are considered to be excellent, with specific characteristics including inclusivity, supporting, constructively challenging and responsible. The Board is noted as being unified and aligned, with the Experian agenda as the priority.

In addition to the formal external evaluation, the directors met the Chairman to discuss their performance and any development needs in February and March 2020. The Deputy Chairman and Senior Independent Director evaluated the Chairman, considering 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 FY20, supported by an analysis of how each committee was performing against the key duties and responsibilities in its terms of reference.

Nomination and Corporate Governance Committee report
continued

FY21 focus areas highlighted in the FY20 review

Area	Focus
COVID-19 pandemic	As the pandemic evolved, the Board took decisive action to agree a set of priorities and goals for the Group, the purpose of which was to establish measures of success for the Board's role in navigating the emergency. These covered: maintenance of operations while keeping our people, clients and suppliers safe and healthy; preserving the health of the business (including its financial health); recovering strongly as the emergency subsides; and using the Group's capabilities to help communities survive and recover rapidly. It is expected that a significant Board focus for the coming year will be how the Group adapts, adjusts and recovers from the situation and lessons learned that could have relevance for the evaluation and mitigation of emerging risks. The Board will play a key part in this process, guided by the agreed priorities and goals.
Succession and talent development	The Board's FY21 priority will be on non-executive succession, particularly chairmanship of the Remuneration and the Audit Committees, as the current role holders approach the natural end of their Board terms of appointment. The focus for the Chairman and the Board will be on replacing the significant breadth and depth of experience, insight, advice and challenge that will leave the Board, ensuring the right seniority, experience (including financial) and cultural fit of any successors, and that there is a smooth transition (and comprehensive induction) for any new appointments. As part of its regular meetings and visits, the Board spends time with the senior leadership team and has opportunities to meet up-and-coming talent within the organisation. There is also an annual formal review of talent, discussion of specific appointments as needed and updates on talent development programmes. The development, attraction, retention and diversity of talent is also an area of increasing focus for the Board, as the Group evolves into new and highly competitive business areas, balancing internal development with key external hires.

Progress against the focus areas highlighted in the FY19 review

Area	Focus	Progress
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.	There was a robust and engaged process to select and appoint the new Chairman, a pivotal role for any business. The Nomination and Corporate Governance Committee discussed the matter at a number of meetings, considering in detail the experience and attributes of both internal and external candidates. The appointed Chairman, Mike Rogers, was considered to have strong technology and regulatory experience, as well as deep knowledge of the Group, having been initially appointed in 2017. He was also considered by the Committee to be a strong cultural fit. He has made an excellent start in his role and is having a positive impact, and he has continued to make a significant investment of time to meet people around the business and further increase his knowledge of Experian. The Nomination and Corporate Governance Committee continues to evaluate the structure, size and composition of the Board on a regular basis.
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 members agree that risk management is thorough with good processes in place and a focus on risk appetite, supported by a management culture and tone from the top of rigour and attention to detail. There has been good progress during the year on the evaluation of emerging risk, with both the Group Executive Risk Management Committee (ERMC) and the Audit Committee now specifically reviewing and considering both emerging and principal risks. Work will continue in this area, with a continuing focus on forward-looking discussions, and appropriate deep dives.
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.	The Board evaluation noted that Board processes are effective, efficient and thorough. Improvements on Board papers and presentations were made during the year and continue to be made, with increased focus on executive summaries to bring out key discussion points. Notable progress was made this year in terms of the papers used for the annual strategy meetings, with Board members complimenting management on the structure and content.

Audit Committee report

Deirdre Mahlan
Chairman of the Audit Committee

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.

Members

Deirdre Mahlan (Chairman)
Dr Ruba Borno
Caroline Donahue
Luiz Fleury
George Rose

On behalf of the Audit Committee, I am pleased to present its report for the year ended 31 March 2020, describing how the Committee carried out our responsibilities during the year.

The Committee's remit 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. In particular this year, in light of the COVID-19 pandemic, the Committee discussed the proposed audit procedures for the year-end with KPMG and were satisfied that they were appropriate.

The Committee members' collective international and financial experience enables them to act effectively in these areas, and the work of the Committee during the year covered all elements of its remit.

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 2020.

Quick facts

- Deirdre Mahlan has chaired the Committee since January 2015. She is President of Diageo North America, and was previously Diageo plc's 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 recent and relevant financial experience, in line with the UK Corporate Governance Code.
- The Committee met five times during the year, with four scheduled meetings timed to coincide with key dates in the Group's financial reporting and audit cycle, and one ad hoc meeting held in July 2019.
- Regular attendees at meetings include the Chairman, the executive directors, the Group General Counsel, the Head of Global Internal Audit, the Chief Information Officer, the Chief Information Security Officer, and representatives from KPMG LLP (the external auditor). Other invitees include the Global Head of Risk Management and Compliance, and the Senior Vice President of Corporate Compliance
- At the end of each scheduled meeting, the external auditor and the Head of Global 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/

Committee's key roles and responsibilities

The Board believes the Audit Committee to be a central pillar for effective corporate governance by providing independent and impartial oversight of the Company's relevant functions. As a Committee, our responsibilities include:

- 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.

Audit Committee report
continued

Committee activities during FY20

May

- Reviewed the full-year financial report announcement and the Annual Report; and papers in relation to:
  - year-end accounting matters
  - the preparation of the financial statements on the going concern basis (see also note 2 to the Group financial statements)
  - the making of a viability statement recommendation to the Board; the fair, balanced and understandable assessment
  - and the making of management representations.
- Reviewed 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.
- Reviewed the Risk Management Framework and Summary of Assurance.
- Reviewed the external auditor's year-end report, including independence considerations.
- Reviewed non-audit fees.

September

- Considered the 2020 external audit plan with the external auditor, including its scope and materiality. The plan included the external auditor's response to developments in the business during the year, developments in the audit process, the Group's risk assessment and the coverage of the audit.
- Reviewed the effectiveness of the external auditor (see below under 'External auditor').
- Evaluated the performance of the Global Internal Audit function (see below under 'Internal audit').
- Reviewed the Compliance Management Programme overview from the Global Head of Compliance; assessed the Compliance terms of reference and received annual compliance training.
- Reviewed fraud and Confidential Helpline updates.
- Reviewed the Group's Treasury Policy.
- Approved the Committee's annual meeting schedule and reviewed the Committee's performance against its terms of reference.

November

- Reviewed the half-yearly financial report announcement; and papers in relation to:
  - half-year accounting matters
  - the preparation of the half-yearly report on the going concern basis
  - a fair, balanced and understandable assessment
  - and the making of management representations.
- Reviewed the external auditor's half-year report, including independence considerations.
- Received updates and Committee training from the external auditor in respect of developments in the audit industry, potential changes and consideration of actions for Experian.

March

- Reviewed the principal accounting policies, pre-year-end accounting matters, and updates on the year-end financial statements and financial review.
- Reviewed and considered the impact of COVID-19 on the FY20 audit.
- Reviewed the external auditor's pre-year-end report, including scope, status and control findings.
- Reviewed fraud and Confidential Helpline updates.
- Reviewed the Global Internal Audit strategy and annual plan.
- Considered the re-appointment of the external auditor (see below under 'External auditor').
- Reviewed the Group's non-audit fee policy and the Group audit fee.
- Reviewed the Group's Tax Policy.

All meetings

- Reviewed information security updates from the Chief Information Security Officer at each scheduled meeting. This was a standing item on the Committee agenda, given its importance to the Group.
- Reviewed full or summary risk management updates at each meeting, including status of and changes to the Group's principal risks, material litigation, regulatory developments and details of any emerging risks.
- A Global Internal Audit update was presented by the Head of Global Internal Audit at each meeting, and discussed by the Committee, including the status of the audit plan, audit findings and themes in the reporting period, and progress on any overdue audit actions.

- **July 2019:** In addition to the scheduled meetings described above, the Committee Chairman convened an ad hoc meeting in July 2019 to discuss an update on the Group's information technology estate and the top information security risks.

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
Impairment review – goodwill and other intangible assets	
A summary of the impairment analysis and underlying process was provided to the Committee twice in respect of the year, at the regular annual update and again following the COVID-19 outbreak. The Committee scrutinised the methodology and assumptions applied by management. Given the uncertainty arising from the COVID-19 pandemic, the impact on Experian is difficult to forecast and therefore further impairment tests were completed. The analysis indicated that the estimated recoverable amounts of the assets of all segments continued to sufficiently exceed their carrying amounts. The excess (the 'headroom') in respect of all cash generating units (CGUs) had decreased as a result of the ongoing COVID-19 pandemic.	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.
Impairment review – other assets	
A summary of the review process for other assets was provided to the Committee following the COVID-19 outbreak. The Committee scrutinised the methodology and assumptions applied by management. The review indicated that an impairment was required in one of the Group's associates, along with an increased loss allowance for expected credit losses.	The Committee concurred with management's conclusion that write-down of the carrying value of associates was required and that the proposed accounting was appropriate. The Committee concurred that an increased loss allowance was required.
Going concern and viability	
The Committee reviewed the assessment of going concern and viability, which had been expanded in light of COVID-19, and scrutinised the assumptions, methodology and risks.	The Committee concurred with management's assessment that the Group is a going concern and is expected to remain viable over the three-year period ending 31 March 2023.
Acquisitions	
The Committee received an update on the acquisitions made during the year, notably the acquisitions of Compuscan (CSH Group (Pty) Limited) in sub-Saharan Africa and Auto I.D., Inc. in North America.	The Committee approved the valuation of the acquisition intangibles and accounting for non-controlling interests.
Tax	
The Committee received a regular update from management on the adequacy of provisions in respect of significant open tax matters. The review included details of ongoing correspondence with tax authorities in the USA, Brazil, Colombia 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, including recent government stimulus measures, 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 2020. The Committee considered and concurred with the proposed contingent liability disclosures included in the notes to the Group financial statements.
New accounting standards	
The Committee received an update on the impact of implementation of IFRS 16 'Leases'.	The Committee approved the Group's accounting policy and the proposed disclosures under the new standards.

Audit Committee report
continued

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' was 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 2020, 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. This year's deliberations included a focus on the impact of COVID-19.
- In advance of its May 2020 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 2020 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.

Internal audit

An external assessment of Global Internal Audit was reviewed by the Committee at its September 2018 meeting, as part of the agreed four-year evaluation cycle (full external quality assessment every four years, and follow-up interim quality assessments in the intervening period).

In September 2019, the Committee reviewed the conclusions of the internal evaluation of Global Internal Audit, which comprised: internal quality assurance results; post-audit stakeholder feedback; key internal metrics; self-assessment against the International Standards for the Professional Practice of Internal Auditing and the Code of Ethics by the Head of Global Internal Audit; a survey of principal stakeholders for areas requiring improvement; and a review of key actions taken to date against the 2018 external quality assessment. The Committee discussed some of the areas for improvement noted (principally some minor issues around timelines and communication), and also noted the results showing evidence of positive feedback on the strong risk focus of the internal audit team, as well as the level of assurance.

External auditor

Tenure and tendering

KPMG LLP (KPMG) has been the Company's auditor since July 2016, following the conclusion of the audit tender process in September 2015. 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 (Mandatory Use of Competitive Tender Processes and Audit Committee Responsibilities) Order 2014 for the financial year under review.

Effectiveness, independence and appointment

At its September 2019 meeting, the Audit Committee reviewed and discussed KPMG's audit strategy for the year ended 31 March 2020. In November 2019, and March and May 2020, 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, as well as details of key matters arising from the audit and assessments of management's judgments on them; and reviewed the content of the independence letter and the management representation letter, as well as engagement terms. These updates gave the Committee a detailed insight into the audit process, and allow the Committee to assess the quality of the audit (along with the effectiveness review described below).

The Committee formally reviews the effectiveness of the external auditor at its September meeting. This year, tailored questionnaires were given to Board members, senior operational and functional management and senior regional, finance and treasury 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 Committee also reflected on the assurance on financial statements, the audit teams and communication, as well as considering external regulatory updates on the external auditors received during the year (specifically the FRC's Audit Quality Inspection report, and the communication from the FRC's Audit Quality Review team in February 2019).

The overall results of the evaluation 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 explained. The Committee concluded, based on feedback and information obtained during its other work, that the external auditor had performed effectively, and that the Group and the auditor had complied with relevant 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 by: 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.

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 policy, non-audit fees paid to KPMG are capped at 30% 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 2020 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 2020. The updated policy, which is set out below, recognises the importance of the external auditor's independence and objectivity.

Policy

The external auditor is now prohibited from providing any services other than those directly associated to the audit or required by legislation. These are limited to:

- Reporting required by a competent authority or regulator under UK law or regulation, for example:
  - Reporting to a regulator on client assets;
  - In relation to entities regulated under the UK Financial Services and Markets Act 2000 (FSMA), reports under s166 and s340 of FSMA;
  - Reporting to a regulator on regulatory financial statements; and
  - Reporting on a Solvency and Financial Condition Report under Solvency II Directive 2009.
- Reporting on internal financial controls.
- Reports required by or supplied to competent authorities/regulators supervising the audited entity, where the authority/regulator has either specified the auditor to provide the service or identified to the entity that the auditor would be an appropriate choice for service provider.
- Audit and other services provided as auditor of the entity, or as reporting accountant where the services are required by law or regulation.
- Reviews of interim financial information; and providing verification of interim profits.
- Extended audit or assurance work where the work is integrated with the audit work and is performed on the same principal terms and conditions.
- Services which support the entity in fulfilling an obligation required by law or regulation, where the provision of such services is time critical and the subject matter of the engagement is price sensitive.
- Reporting on government grants.
- Reporting on covenant or loan agreements which require independent verification.
- Additional assurance work on material included within the Annual Report.
- Services which have been the subject of an application to the competent authority.

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 30% annual limit, all expenditure must be approved by the Chairman of the Audit Committee (via the Group Financial Controller), up to 35%. Where cumulative annual fees exceed the 35% annual limit, all expenditure must 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.

Audit Committee report
continued

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 and emerging 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 on page 64. The specific processes underlying the elements of our risk framework are set out below.

Identify	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
Assess	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 Produce Board-level and Group-level finance reports, including financial summaries, results, forecasts and revenue trends, investor relations analysis and detailed business trading summaries Follow formal review and approval procedures for major transactions, capital expenditure and revenue expenditure Evaluate compliance with policies and standards that address risk management, compliance, accounting, treasury management, fraud, information security and business continuity Monitor budgetary and performance reviews tied to KPIs and achievement of objectives 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 reports to the Audit Committee on assurance testing and confidential helpline investigation results Group Compliance reports to the Audit Committee on fraud management 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
Respond	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 Accept or remediate current risk and control environment Determine corrective action if required
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 Use 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 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.

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 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.

For more on our approach to risk management see pages 63 to 70

Risk management and internal control systems review

Independent assessment

- Global Internal Audit reports
- Global Internal Audit confidential helpline reports
- External auditor's report
- Sustainable business independent assurance report
- Review by relevant regulatory bodies (e.g. US Consumer Financial Protection Bureau)
- Evaluation of external auditor
- Evaluation of Global Internal Audit

Through a combination of ongoing and annual reviews, the Board is able to review the effectiveness of the Group's risk management and internal control systems

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, full-year 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
- Tax policy
- Compliance policy
- Global Delegated Authorities Matrix, which defines internal approval procedures

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, which contains the detailed requirements of International Financial Reporting Standards (IFRS). The Group's Financial Reporting team owns the Global Accounting Policy and Standards and we have rolled it out across the Group, obliging all Group 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.

Report on directors' remuneration

George Rose
Chairman of the Remuneration Committee

I am pleased to present, on behalf of the Remuneration Committee, the Report on directors' remuneration following another strong performance year for the Company.

Members

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

Quick link

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

I would like to start by congratulating Mike Rogers on his appointment as Chairman of the Board and thanking him for the considerable contribution he made to the Remuneration Committee during his Chairmanship.

Before I turn to the issue of executive pay, I want to briefly touch upon COVID-19 and its impact on our people and our business.

At Experian, we continue to put the welfare of our employees first and our social responsibility obligations remain central to all our considerations.

I am pleased to report that, as I write this, nearly all of our people globally, including those with childcare responsibilities, are working from home as best they can, supported by a number of people-first policies designed to help employees and their families to navigate this difficult time. I can confirm that, at this time, we have not implemented any pay reductions or reduced working hours.

I am proud of how well our people have responded to COVID-19, and to see how their hard work and innovation has enabled Experian to respond quickly, to support governments, healthcare organisations and charities during this challenging time.

The COVID-19 pandemic presents many challenges for us as a global community and will undoubtedly shape the decisions the Committee takes over the coming months with respect to executive remuneration. However, the Committee is confident that our Directors' remuneration policy (the Policy), as outlined later in this Report, remains key to driving our business forward and delivering our strategic objectives.

Remuneration Policy

Like many other FTSE 100 companies, one of the key priorities for the Committee over the last twelve months has been the review of the Policy. The Committee has used the Policy renewal as an opportunity to both:

1. Confirm that the executive directors' remuneration structure continues to best serve the Company in its drive for short- and long-term growth; and
2. Review and align with new UK regulatory and governance requirements.

The proposed Policy has been developed following constructive engagement with our major shareholders and UK institutional investor bodies over this and previous years. The executive remuneration landscape continues to change and we continue to move with those changes while preserving our strong preference for simplicity.

We invest time in ensuring that our reward approach is effectively communicated so that we can incentivise the performance levels that we have delivered to date and target to deliver in the future. We are also very sensitive to the fact that our incentive structure plays a key role in our ability to attract the required talent in a very competitive global marketplace of big-platform, FinTech competitors. The Committee believes that the proposed Policy remains aligned to the Company's long-term strategy and supports a growth ambition that – based upon consistent feedback – is at the core of shareholder interests.

Background to Policy renewal

Since the 2017 Policy vote, we have engaged proactively with our shareholders. Based upon this valuable feedback, during the last three years we made a series of key changes and additional refinements to further improve our executive remuneration structure. The key changes included the introduction of mandatory 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).

Again driven by feedback from our key shareholders, the Committee addressed the perceived over-reliance on Benchmark PBT in our incentive structure. We replaced Benchmark PBT with Benchmark EBIT as the primary measure for the annual bonus plan and added a second metric of revenue performance to bring a quality of earnings perspective to financial performance. We also replaced Benchmark PBT per share with the more commonly used metric of adjusted Benchmark EPS and took the opportunity to provide greater clarity on the rationale behind our long-term incentive plans. Whilst both the PSP and CIP are growth driven, the former focuses on returns (Total Shareholder Return

(TSR) and return on capital employed (ROCE)) and the latter focuses on important cash discipline.

I was very pleased to see the strong level of shareholder support for these changes expressed in the positive vote at last year's AGM. I felt that it was a very good place from which to continue our engagement with all stakeholders in 2020.

2020 shareholder engagement

As in previous years, we benefitted from open and constructive engagement with our major shareholders and key institutional investor bodies. We listened to, discussed and responded to their views in advance of the 2020 Policy Review.

Over the course of the consultation, it became clear that whilst some minor governance-related changes to the Policy would be welcomed, shareholders were supportive of our current arrangements and recognised the alignment with the Company's long-term strategy.

Proposed Policy changes

As we look to meet the evolving governance expectations in the UK listed environment we have proposed the following changes to the Policy for 2020:

- Post-employment shareholding: executive directors will be required to maintain their current in-employment shareholding guideline for two years post-employment;
- Executive pensions: our incumbent UK-based executive directors will be provided with a pension benefit that is aligned to the provision provided to the majority of the UK workforce (currently an employer maximum contribution of 10% of base salary) by the end of 2022. Our US-based executive director's pension is already aligned, and will remain aligned, with the US workforce; and
- Executive pensions: new UK-based executive director appointments will be eligible to receive an employer pension contribution, or cash allowance in lieu of pension if appropriate, equal to the employer contribution rate for the majority of the UK workforce, currently 10% of base salary.

A summary of our proposed Policy is included on page 105, with detailed information on pages 117 to 122.

Is this Policy right for our business?

The Committee believes that, in order to achieve the best strategic results as a business, all our Senior Leaders should be motivated and rewarded in the same way.

As such, our approach to executive remuneration plays a key role in enabling us to attract and retain the best talent globally, particularly when competing with the data information and technology companies in the USA, which accounts for 63% of our business.

Reflecting the Committee's view, the supporting rationale for the proposed Policy is detailed below:

- Long-term focus: the majority, 65%, of the executive remuneration package is tied to the delivery of long-term strategic performance objectives in the form of our key financial KPIs. These financial KPIs are the lens through which many of our shareholders assess our success thus ensuring the important alignment of interests.
- Pay for performance: the balanced incentive structure of annual bonus, CIP and PSP provides the intentional tension and challenge of delivering both short-term and longer-term sustained business performance. In this way, only exceptional performance will deliver a consummate level of total reward.
- Shareholder alignment: by design, the co-investment feature of the CIP drives a sense of having real 'skin in the game' and thus promotes a true shareholder perspective and mindset amongst plan participants.
- Talent: the leverage of the combined incentive plans is the key to our ability to compete for top talent (at and below Board-level) in a competitive external market, dominated by some of the largest global technology companies.

The Committee is confident that the proposed Policy is designed to:

- Deliver strong financial performance
- Reward long-term sustainable growth
- Ensure critical shareholder alignment
- Facilitate the attraction and retention of critical talent.

FY20 performance results

I am very pleased to report that FY20 was another strong year for Experian. The emergence of COVID-19 on a global scale at the very end of our financial year meant our financial performance was not significantly impacted. In FY20, the Group delivered Benchmark EBIT growth of 9% and similar strong growth levels in revenue performance (9%), Benchmark PBT (8%) and Benchmark EPS (8%), all at constant exchange rates.

These high single-digit performance levels were reflected in our share price, which increased by 30% in the three months to 31 March 2020 vs the same period last year.

Whilst the delivery of financial results is undoubtedly very important, the Committee actively undertakes a holistic approach to the assessment of the Company's performance by reviewing a broad range of metrics. These include – but not exclusively – employee engagement, diversity and inclusion, impact

Evolution of executive remuneration since 2017

2018

- Introduced mandatory executive director annual bonus deferral, of at least 50%, for three years
- Established a 25% threshold vesting level for the CIP
- Introduced two-year post-vest holding for both the PSP and CIP

2019

- Rebalanced the short- and long-term incentive plan measures including:
  - Adding a second measure to the annual bonus plan (revenue performance 20%) and replacing Benchmark PBT with Benchmark EBIT (80%)
  - Replacing Benchmark PBT with adjusted Benchmark EPS in the long-term incentives and introducing a third metric to the PSP (ROCE 25%)

2020

- Introduce two-year post-employment shareholding guideline for the executive directors
- Pension provisions for incumbent UK executive directors will be aligned with the majority of the UK workforce by the end of 2022. New UK executive director appointments will be aligned immediately

Continuous enhancements underpinned by:

- Ongoing consultation with our major shareholders, to ensure their views are reflected in our Policy
- Alignment with emerging best practice in UK governance

Report on directors' remuneration
continued

on the environment and consumer satisfaction. In this way, we ensure that the financial outturns are a fair and true reflection of the Group's performance over the period.

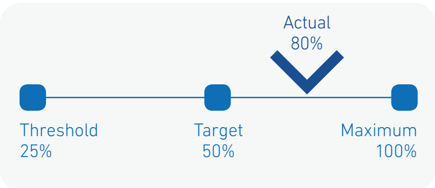
Our preference for simplicity means that we do not include these and other non-financial metrics in our incentive plans. However, that in no way dilutes their importance to the Group and hence they remain key considerations for the Committee's review of short- and longer-term performance.

How is our performance reflected in executive pay?

Salary – during the year the Committee approved salary increases of 2.6% for the executive directors. As in previous years, these increases were in line with the increases awarded to the general employee population across the Group.

Annual bonus – the addition of revenue performance as a second metric brought real focus to both bottom- and top-line growth. Both North America and Latin America delivered outstanding revenue growth and the returns on strategic investments ensured that this performance flowed through to the Benchmark EBIT outturn for the year.

As a result of the combined revenue performance and Benchmark EBIT growth the overall bonus for FY20 will be paid out at 160% of each of the executive directors' salaries.



Following a review of the Group's financial performance and consideration of all business priorities (including those non-financial in nature), the Committee was satisfied that the level of bonus payout aligned fairly and accurately to the year's achievements. Therefore, no discretion (upward or downward) was deemed necessary to adjust the formulaic outturns. The Committee approved the payment of FY20 bonuses to the executive directors and employees based upon the strong performance delivered and the robust nature of the business despite the very challenging external environment. Full details of the annual bonus outcomes are set out in the Annual report on directors' remuneration.

Long-term incentives – The PSP and CIP awards granted in 2017 will vest on 7 June 2020.

The strong financial performance in FY20 builds upon the performance of both FY18 and FY19. This upward trajectory over the last three years has resulted in Experian achieving:

- 9% average increase per annum in adjusted Benchmark EPS
- US$3.8bn[1] cumulative Benchmark operating cash flow over three years
- 23% cumulative Benchmark PBT growth
- 60% share price growth over three years[2]

1 At constant currency exchange rates.

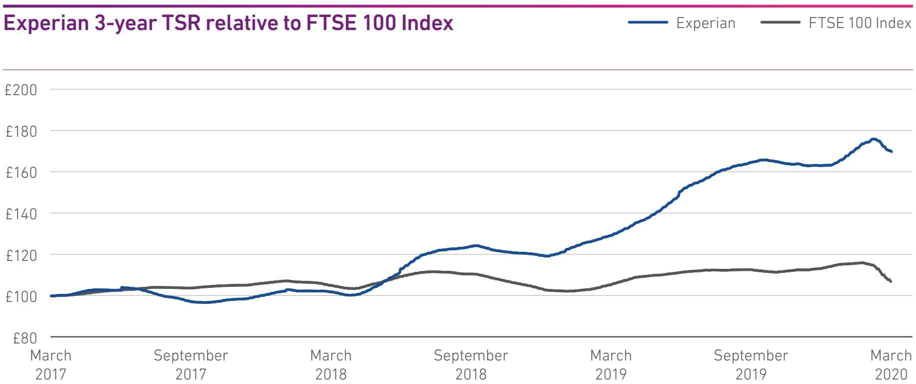
2 Three-month average price to 1 April 2017 of £15.90 vs three-month average to 1 April 2020 of £25.63.

These strong growth figures underpin the overall vesting level of the CIP and of the PSP, which were 85% and 100%, respectively. The Committee considered these vesting levels to be an appropriate reflection of the strong business growth achieved over the last three years.

In line with our remuneration principles a substantial portion of the CEO's single figure value is determined by long-term performance. For FY20, 73% of the CEO's single figure value is driven by the vesting levels of the long-term incentive (LTI) plans. Importantly 40% of the LTI element of the single figure, or 29% of the total single figure value, for the executive directors is directly attributable to share price growth and dividends.

Importantly, any shareholder including other shareholding employees, will have benefitted from the same share price growth and dividend return over the three-year period. This is an example of the alignment with shareholder interests, which is one of the Committee's key considerations.

Experian 3-year TSR relative to FTSE 100 Index



Pay in the wider workforce

Employee engagement

Under the most recent changes to the UK Corporate Governance Code (the Code), committees are required to disclose more details on the way in which they factor wider workforce arrangements into their executive remuneration considerations.

As a Committee Member previously, and as its Chairman now, I consider that we have always felt well informed about the pay and related policy arrangements for the broader employee population at Experian. As a result, we have therefore always been able to proactively consider wider employee pay as context for any decisions taken with respect to executive directors.

As the Committee had existing processes in place to gain an extensive understanding of employee pay, prior to the introduction of the new Code requirements, no single approach recommended in the Code was considered appropriate for our business. We have therefore adopted a combination of the methods suggested to comply with the Code's requirements, which I have outlined below.

Each year, as part of the Committee's standing agenda, we are provided with an extensive paper setting out details of all-employee pay and workforce policies across Experian. The discussions on this topic provide us with helpful insights for framing executive pay considerations.

This year, I sought to further supplement the Committee's level of understanding by attending our Experian People Forum in the UK. The opportunity to gain first-hand feedback in two-way discussions with the workforce was invaluable. I took the opportunity to explain to forum members how executive pay arrangements align with wider Group pay policy and invited them to share their views on this and any other topics.

I was pleased with the level of engagement and the very open nature of the discussions. I have since shared all the employee insights and views gathered at the meeting with the Board and I look forward to returning to future forum meetings to ensure that the Board continues to hear directly from the wider workforce.

In the course of my discussions with the Forum, it was clear that employees value our current reward offering. The benefits we provide globally reflect those provided by a responsible employer. For example, following the success of You+, our UK flexible benefits portal launched in 2018, we launched Your Choice in Asia Pacific in 2019, a technology and mobile enabled flexible benefits platform.

In recent years, a key element of our benefits offering has been employee well-being and this includes financial well-being as well as the more traditional health aspects. As has been reported before, every year we review and act upon the outcome of our Experian People Survey, and the Committee members are provided with a summary of both the survey results and actions taken. We were very pleased to see the employee engagement score improve again in FY20.

One new development in the last twelve months has been the conducting of a Total Reward Optimisation (TRO) project in the UK . The project will provide the clearest ever insight into which elements of the total reward package have the greatest value for our employee population. The results from the TRO review are still being processed. However, we have already made some UK benefit package changes for FY21 based on the early insights received. These include increasing employees' purchased annual leave entitlements and the introduction of critical illness cover, both of which ranked highly on employees' list of valued benefits. Details of key employee initiatives, including the TRO results will continue to be shared with the Committee, to ensure that we remain informed on pay arrangements for the wider workforce.

People and culture

Creating a high-performance culture has been, and continues to be, a huge focus for Experian as we continue to develop and compete in an agile environment, which is more important now than ever before.

The Experian Way, our unique and consistent way of working globally, informs how our people act and behave, which shapes our culture.

Experian's culture is a key enabler of our success. For example, our focus on innovation, which is embedded in our culture, enables us to be responsive to our client needs, and the collegiate nature of The Experian Way helps us deliver better results and leverage solutions across the Group.

The Experian Way values are used to assess employee performance, ensuring a direct connection between culture and pay. Additionally, our reward and recognition programmes are designed to reinforce the critical pillars of The Experian Way. Under the One Experian Recognition Programme, employees are able to nominate fellow employees who demonstrate Experian Way behaviours. In this financial year, more than 27,000 awards have been made.

The Committee takes a keen interest in the health of the Company's culture and is updated on the KPIs used to track and monitor Experian's culture, including its People Survey Results, Employee Engagement Score and our Net Promotor Score. It has been very pleasing to see an increase in the Employee Engagement Score and an improvement across a range of indicators in the Employee People Survey.

CEO pay ratio

We are committed to transparent, good corporate governance and I am pleased to be able to disclose the CEO pay ratio for the year ended 31 March 2020, which can be found on page 110. This is the first year of CEO pay ratio disclosure for Experian and the Committee welcomes the additional insight and focus the disclosure process has brought to employee pay.

Whilst the Committee acknowledges that the ratio is at the upper quartile of the FTSE this is primarily driven by three consecutive years of exceptional Group performance which is reflected in the CEO single figure value. In examining the detail behind the CEO pay ratio, the Committee gained comfort from some key alignment features of CEO and employee pay, for example:

- Employee base salary review budgets have consistently been set at a rate exceeding that for the CEO and executive directors;
- Eligibility to receive long-term incentive (LTI) awards has been expanded further down the organisation than in previous years, particularly in the USA where LTI awards are essential to keep pace with other technology companies;
- The all-employee Sharesave plan now extends to 96% of the employee population, facilitating access to the same share price growth opportunity.

Experian has long been committed to continuing our policy and practice of competitive employee pay and particularly in the area of key strategic skills. As we continue to grow our business under challenge from others in the technology and data sector, we will look to ensure that our remuneration arrangements remain competitive in a bid to attract and retain the required talent.

Looking forward

It is clear that COVID-19 will have a global business impact and, as outlined earlier in this Annual Report, we are confident Experian is well placed to emerge strongly and continue to invest both in our people and our growth strategy.

Our Policy is built on the principles that (i) executives are only rewarded for delivering strong financial results and (ii) executive pay is aligned with shareholder experience. True to these principles, but against a current COVID-19 backdrop, the Committee has determined the following for 2020:

1) Pay: executive directors will not receive any salary increases in 2020;
2) LTI awards: due to the resilience of the Experian share price, no downward discretion will be applied to the number of shares awarded when granting LTI awards to executive directors in 2020. However, the Committee will monitor and assess the situation with great care to ensure that, at vesting, the executive directors' experience is reflective of the overall business performance;
3) Target setting: we are committed to continuing to set stretching but attainable targets, particularly in the current economic environment. Given the prevailing market uncertainty regarding both the short- and long-term impact of COVID-19, we believe it is appropriate to delay the setting and disclosing of LTI targets until later in 2020, when there is more clarity on the business impact of COVID-19. We would expect this to be within six months of the granting of awards. We intend to disclose details of the agreed LTI targets, once determined, via an RNS announcement at that time.

Concluding comments

FY20 has been another strong year for Experian, and I believe that the Policy we have in place is a contributor to the achievement of this year's financial results. Experian has embraced the constantly changing environment. We have listened to, and acted on feedback from our investors. I believe that we have a Policy that will allow us to continue to drive the delivery of our strategic goals and the creation of shareholder value.

Our purpose and values remain core to how we operate. We are a Company focused on high performance, which aims to create a better tomorrow for our consumers, for our clients, 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 2020 Directors' remuneration policy and Annual report on directors' remuneration at the 2020 AGM.

Annual report on directors' remuneration

Our executive remuneration at a glance

Performance snapshot

9% Revenue performance*

9% Benchmark EBIT growth*

USc 103.0 Benchmark EPS

16.1% Return on capital employed

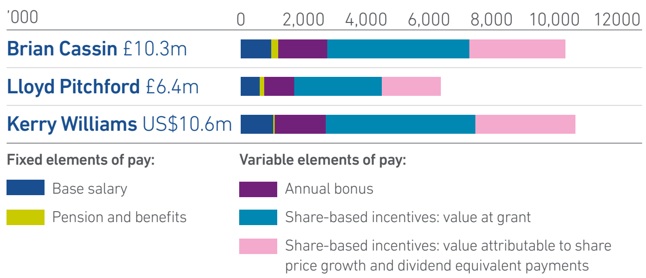
76% Employee engagement

Performance measure	Incentive plan	Outturn	Achievement (% of max)
Benchmark EBIT growth*	Annual bonus	9%	75%
Revenue performance growth*	Annual bonus	9%	100%
Three-year Benchmark PBT per share growth*	CIP/PSP	9%	100%
Three-year cumulative Benchmark operating cash flow*	CIP	US$3.8bn	70%
Three-year TSR relative to FTSE 100 Index	PSP	58.6%	100%

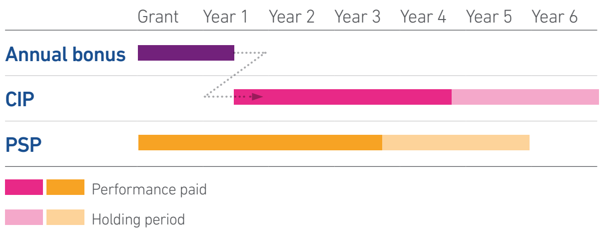
* At constant exchange rates.

As a result of the performance shown above, the annual bonus paid out at 80% of maximum, the 2017 CIP vested at 85%, and the 2017 PSP vested at 100%.

Executive director single figure of pay



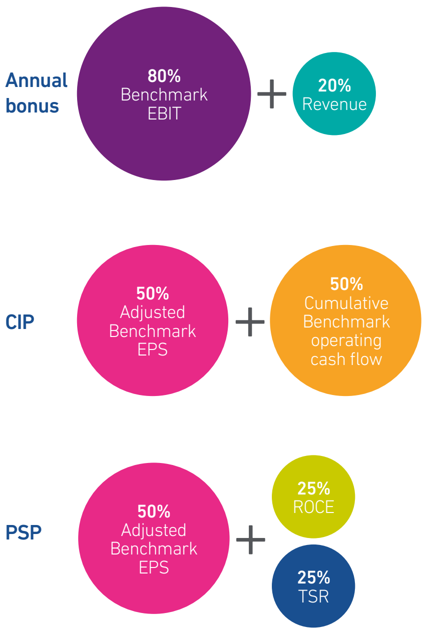
Incentive awards timelines



Executive director remuneration arrangements for FY21

- No salary increases awarded to executive directors for FY21.
- Pension contributions for new UK executive director appointments aligned with workforce immediately and incumbent executive directors will be aligned by the end of 2022.
- Annual bonus based on Benchmark EBIT (80%) and revenue performance (20%). The opportunity is 200% of base 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% of base 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.
- Existing in-employment shareholding guidelines will apply for two years post-employment.

Our executive pay framework



Revenue growth is a key metric for us and will provide a quality of earnings balance to the important profit focus of Benchmark EBIT.

The CIP is designed to incentivise cash discipline while the PSP is designed to incentivise shareholder returns.

However, growth is the single most important aspect of our business strategy and therefore adjusted Benchmark EPS runs across both plans.

Our remuneration policy at a glance

Policy summary

Element	Key feature	Link to strategy	Proposed change and rationale of FY21
Salary and benefits	– Salary is reviewed annually with reference to market data. Any increases are reflective of those provided to our wider workforce.	Set at a level appropriate to secure and retain high-calibre individuals needed to deliver the Group's strategic priorities.	**No change.**
Pension	– Brian Cassin and Lloyd Pitchford participate in the UK defined contribution plan and receive a 20% employer contribution. – Kerry Williams participates in the US 401K plan and receives an employer contribution aligned with US employees.	To provide appropriate retirement savings, at a rate aligned with local market.	**Change:** pension for UK executive directors will be aligned with the workforce by 2022 (currently up to 10% employer contribution). New UK executive director appointments will be aligned immediately on appointment. **Rationale:** to ensure alignment with majority of employees.
Bonus	– 100% of salary at target and 200% at maximum. – Mandatory 50% deferral into shares under the CIP for three years. Executives may defer up to 100% of bonus into CIP.	To incentivise delivery of our annual strategic goals. Deferral into shares balances short- and long- term strategic focus.	**No change.**
Co-investment Plans	– Conditional award of matching shares on the gross value of bonus deferred into shares. – Matching shares granted on a 2-for-1 basis and vest subject to the achievement of financial performance conditions over a three-year period. – Two-year post-vest holding period applied.	Personal investment from executives ensures continued long-term alignment with shareholder interests. Use of stretching financial metrics incentivises performance over long-term horizons.	**No change.**
Performance Share Plan	– Annual grant of performance shares up to 200% of salary for executive directors. – Shares only vest to the extent performance conditions are met over a three-year period. – Two-year post-vest holding period applied.	Outcome driven by performance against measures directly linked to financial returns and strategic priorities. Majority of remuneration opportunity (CIP and PSP) is linked to the Group's long-term performance.	**No change.**
Shareholding	– In-employment shareholding guideline of 300% of salary for the CEO and 200% of salary for the executive directors. – Two-year post-employment shareholding guidelines equal to the in-employment guideline or, if lower, actual shareholding at cessation.	To preserve and enhance the long-term alignment of executive directors with shareholder interests and promote a long-term approach to performance and risk management.	**Change:** in-employment guidelines incorporated into Policy and post-employment holding effective from 2020 AGM. **Rationale:** enhance long-term focus of total remuneration policy.

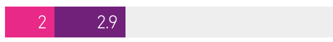
Share ownership

Guideline
Additional holding

Brian Cassin
Actual holding 13.5 x salary

Lloyd Pitchford
Actual holding 11 x salary

Kerry Williams
Actual holding 4.9 x salary

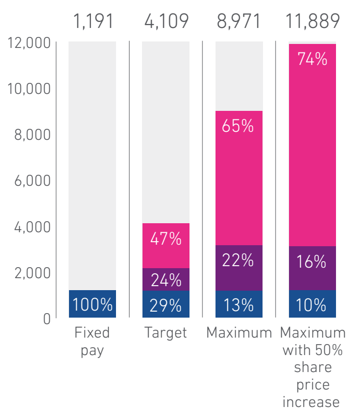


As at 31 March 2020 and calculated as outlined on page 113

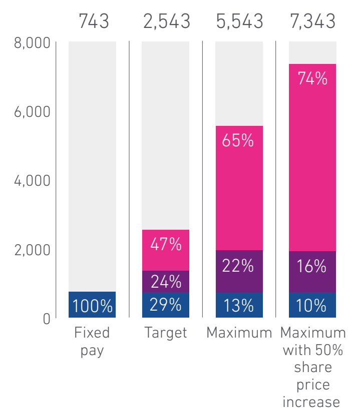
Pay scenarios

The charts illustrate, for various pay scenarios, the potential future total remuneration that each executive director may realise under the proposed Policy.

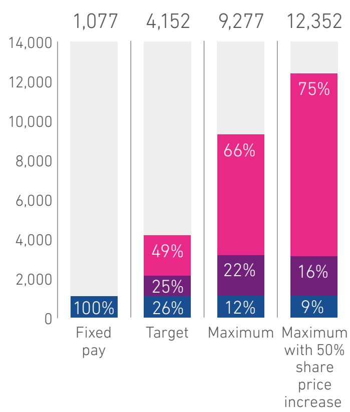
Brian Cassin
(£'000)



Lloyd Pitchford
(£'000)



Kerry Williams
(US$'000)



Fixed
Annual bonus
Long-term incentives

The above charts are prepared on the following basis:

Fixed pay: includes FY21 base salary, FY21 cash in lieu of pension allowances and assumes a similar value of benefits as FY20.

Target: includes fixed pay plus the level of performance required to deliver 50% of the maximum annual bonus, and 50% of the maximum PSP and CIP awards respectively, with the CIP matching award being based on 100% deferral.

Maximum: includes fixed pay plus the maximum annual bonus payment and full vesting of the CIP and PSP awards, with the CIP matching award being based on 100% deferral of a maximum annual bonus.

Maximum with 50% share price increase: includes all elements included in maximum and assumes the share price increases 50% above that on the date of grant. The 50% share price increase has been applied to shares received under the PSP and matching shares awarded under the CIP. Dividend equivalents are excluded from the above scenario models.

Annual report on directors' remuneration
continued

Set out below is the Annual report on directors' remuneration, which will be put to shareholders for an advisory vote at the AGM on 22 July 2020. The Remuneration Committee has prepared this report on behalf of the Board in line with the UK Companies Act 2006, Schedule 8 to the UK 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 2020 and 31 March 2019. Further explanatory information is set out below the table.

	Brian Cassin		Lloyd Pitchford		Kerry Williams	
	2020 £'000	2019 £'000	**2020 £'000**	2019 £'000	**2020 US$'000**	2019 US$'000
Fixed pay						
Salary[1]	**968**	944	**597**	583	**1,026**	996
Benefits	**24**	31	**23**	27	**41**	41
Pension	**194**	189	**119**	117	**11**	22
Variable pay						
Annual bonus	**1,549**	1,604	**956**	990	**1,632**	1,692
Share-based incentives[2,3]	**7,563**	9,114	**4,663**	5,623	**7,934**	8,488
Total	**10,298**	11,882	**6,358**	7,340	**10,644**	11,239

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 2020 or 2019.

3 For FY20 the value of share-based payments disclosed above is inclusive of £2.724m, £1.679m and US$2.856m for Brian Cassin, Lloyd Pitchford and Kerry Williams respectively, which is directly attributable to share price growth over the LTI performance period.

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 2019. The Committee approved salary increases for executive directors of between 2.5% and 2.6% with effect from this date:

	1 June 2019 '000	1 June 2018 '000	% increase
Brian Cassin	£973	£948	2.6%
Lloyd Pitchford	£600	£585	2.6%
Kerry Williams	US$1,025	US$1,000	2.5%

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 2020. In 2020, Brian Cassin received a cash supplement of £193,667 (2019: £188,750), and Lloyd Pitchford received a cash supplement of £119,500 (2019: £116,500), 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$11,192 (2019: US$21,500).

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.

The Committee's independent remuneration advisers are invited to provide the Committee with a wider assessment of the pay environments in the relevant locations for our business.

Step 2

In March, budgets for the forthcoming year are discussed and agreed by the Board.

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, budgets for the forthcoming year have been agreed and the performance outcomes for the current year have been reviewed by our auditors.

The Committee takes these into account during its determination of prior year outcomes and its final review of the targets for the current 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 Board meeting to discuss the budget and business plan takes place prior to the Remuneration Committee meeting.

Annual bonus outcome

Following consultation in 2019 with our major shareholders, we made a number of changes to the performance metrics we applied to our FY20 annual bonus plan. For FY20 we replaced Benchmark PBT with Benchmark EBIT (80% weighting) and revenue performance (20% weighting).

While Benchmark PBT has been an important measure for us for many years, Benchmark EBIT focuses on items more directly within management's control. To balance the important profit focus of Benchmark EBIT, revenue performance growth has also been included within the FY20 bonus plan to provide a quality of earnings balance.

Revenue performance is calculated as the Group total revenue growth after the removal of intra-Group sales, and Benchmark EBIT is based on ongoing activities. 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.

The table below shows our growth in Benchmark EBIT and revenue performance for bonus purposes relative to the targets set at the start of the year.

Metric	Weighting	% growth required for threshold payout	% growth required for target payout	% growth required for maximum payout	FY20 actual growth	Annual bonus achievement
Benchmark EBIT growth	80%	5%	8%	10%	9%	120%
Revenue performance growth	20%	4%	7%	9%	9%	40%
Total annual bonus achievement as % target						160%

Prior to approving the annual bonus outcomes, the Committee discussed whether or not the proposed level of vesting was appropriate in the context of both the current external environment and the Group's wider business performance during the year. The Committee considered other non-financial factors reviewed by the Board including our Net Promoter Score, employee engagement results and the broader shareholder experience over the financial year.

As set out earlier in the Report, the Group's performance in the year was extremely strong and the Committee was satisfied that it did not need to use any discretion, and that the level of bonus payout was appropriate. As such, the resulting annual bonus outcomes for each executive director (up to a maximum of 200% of salary), for the year ended 31 March 2020, are set out in the table below.

	FY20 Bonus payout '000	Bonus payout % salary	% bonus deferred under the CIP
Brian Cassin	**£1,549**	**160%**	**100%**
Lloyd Pitchford	**£956**	**160%**	**100%**
Kerry Williams	**US$1,632**	**160%**	**100%**

Each of the executive directors has 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 directors' 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 FY20 these relate to the awards granted on 7 June 2017 and for FY19 they relate to the awards granted on 7 June 2016. Vesting in 2020 for both the CIP and PSP awards depended on performance over the three years ended 31 March 2020 as well as continued service.

The tables below show the performance achieved against the targets for the CIP and PSP awards granted in June 2017:

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%	100%
Cumulative Benchmark operating cash flow[3]	50%	Below US$3.6bn	US$3.6bn	US$4bn	US$3.8bn	70%
Total						85%

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%	100%
TSR of Experian vs TSR of FTSE 100 Index	25%	Below Index	Equal to Index	25% above Index	59% above Index	100%
Total						100%

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$3.8bn, 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. FY20 ROCE was 16.1%, 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.

No discretion was applied in determining the share based payments that vested in FY20.

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 £25.63. The value of the awards included in the single total figure of remuneration is as follows:

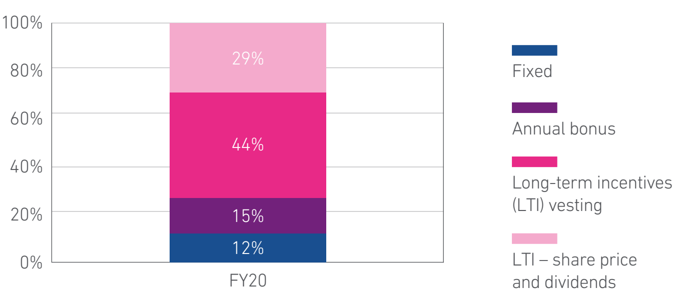
	CIP Shares awarded	CIP Shares vesting	PSP Shares awarded	PSP Shares vesting	Value of shares vesting '000	Value of dividend equivalent payments '000	Total value of shares vesting and dividend payments '000
Brian Cassin	197,484	167,861	115,745	115,745	£7,269	£294	£7,563
Lloyd Pitchford	121,797	103,526	71,324	71,324	£4,482	£181	£4,663
Kerry Williams	161,774	137,507	94,655	94,655	US$7,623	US$311	US$7,934

The value of Kerry Williams' shares has been converted into US dollars at a rate of £1:US$1.281, which is the average rate during the last three months of FY20.

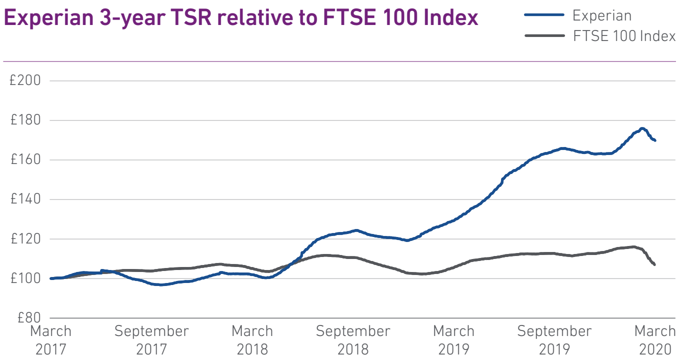
Dividend equivalents of 134.25 US cents per share will be paid on vested shares. These represent the value of the dividends that would have been paid to the owner of one share between the date of grant and the date of vesting.

The chart below shows the make-up of the CEO's FY20 single figure value, including £7.563m relating to the LTI. Of the £7.563m LTI value disclosed for the CEO, 60% is the value at grant, 4% is the value of dividend equivalent payments and 36% is a result of share price growth between the grant date and the average price over the last three months of the financial year – which grew by over 60%. The same proportions are true for the other executive directors.

Breakdown of FY20 CEO Single Figure %



Experian 3-year TSR relative to FTSE 100 Index



Update to 2019 disclosure

We originally calculated the value of the share awards realised by our executive directors in 2019 using the average share price from 1 January 2019 to 31 March 2019, 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 2019	Estimated value of long-term incentive awards '000	Share price on vesting	Actual value of long-term incentive awards '000
Brian Cassin		£7,576		£9,114
Lloyd Pitchford	£19.79	£4,674	£24.00	£5,623
Kerry Williams		US$7,215		US$8,488

What share-based incentive awards did we make in the year? (audited)

On 12 June 2019, 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$1.26. 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	£850	35,675	n/a	12 June 2022
CIP matching shares[1]	Nil-cost options	200% of value of gross bonus deferral	£3,209	134,626	25%	12 June 2022
PSP[2]	Conditional shares	200% of salary	£1,945	81,120	25%	12 June 2022
Lloyd Pitchford						
CIP invested shares	Deferred shares	100% of net bonus	£525	22,019	n/a	12 June 2022
CIP matching shares[1]	Nil-cost options	200% of value of gross bonus deferral	£1,980	83,093	25%	12 June 2022
PSP[2]	Conditional shares	200% of salary	£1,200	50,048	25%	12 June 2022
Kerry Williams						
CIP invested shares	Deferred shares	100% of gross bonus	US$1,692	55,905	n/a	12 June 2022
CIP matching shares[1]	Conditional shares	200% of value of gross bonus deferral	US$3,383	111,810	25%	12 June 2022
PSP[2]	Conditional shares	200% of salary	US$2,050	67,338	25%	12 June 2022

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 £23.83.

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 £23.98, 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 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					
Benchmark Earnings per share (average annual growth)[2]	50%	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
Return on capital employed (average over three years)	25%	Below 14.5%	14.5%	15.4%	16%

1 Straight-line vesting between the points shown.

2 Measured on an ongoing activities and constant currency basis.

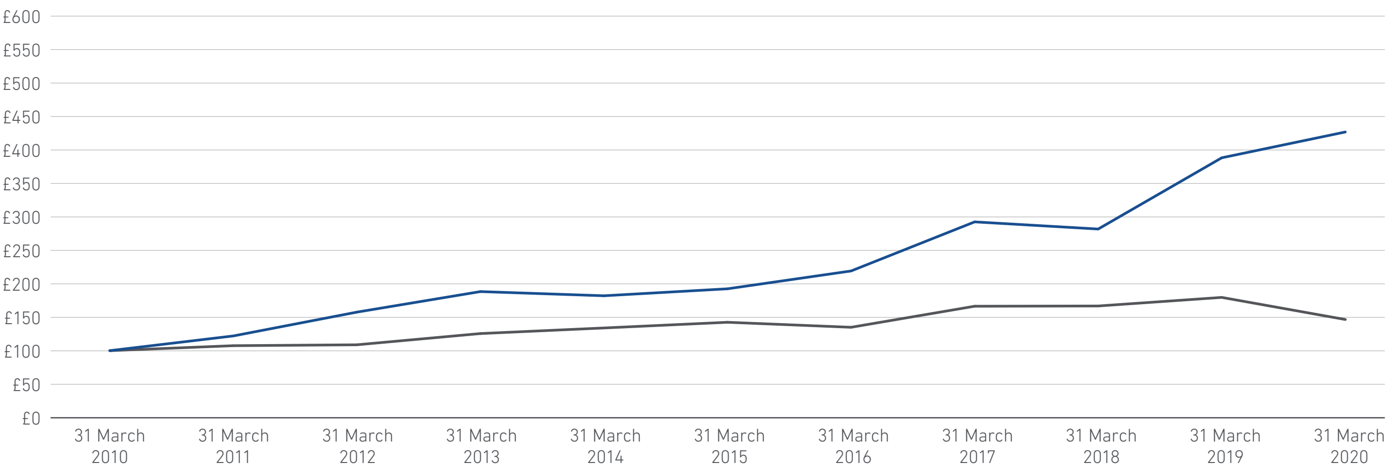
These awards will only vest if the Committee is satisfied that the vesting is not based on materially misstated financial results. The Committee also has the discretion to vary the level of vesting if it believes that the level of vesting determined by measuring performance is inconsistent with the Group's underlying financial and operational performance.

Annual report on directors' 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 2010



The table below sets out our CEO's pay for the last ten financial years:

	2011	2012	2013	2014	2015	2016	2017	2018	2019	**2020**
CEO total single figure of remuneration ('000)[1]										
Don Robert	US$5,714	US$23,206	US$22,974	US$16,290	US$620	—	—	—	—	**—**
Brian Cassin	—	—	—	—	£1,976	£3,678	£3,647	£6,387	£11,882	**£10,298**
Annual bonus paid against maximum opportunity (%)										
Don Robert	98%	100%	75%	50%	—	—	—	—	—	**—**
Brian Cassin	—	—	—	—	38%	100%	89%	58%	85%	**80%**
LTIP vesting against maximum opportunity (%)[3]										
Don Robert	n/a[2]	100%	100%	94%	69%	—	—	—	—	**—**
Brian Cassin	—	—	—	—	40%	33%	32%	95%	90%	**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 LTIP opportunity varies as the CIP opportunity is based upon the actual bonus earned.

CEO pay ratio

Experian is committed to good corporate governance and transparency in the reporting of remuneration for our executive directors and employees. We have outlined below the CEO pay ratio for the year ended 31 March 2020, in line with the new UK regulatory requirements. The pay ratios have been calculated using Option A of the three methodologies provided under the new regulations, which we believe is the most statistically accurate approach.

Year	Method	25th percentile pay ratio	Median pay ratio	75th percentile pay ratio
	Option A	267:1	178:1	112:1
2020	Total pay and benefits	£38,630	£57,803	£91,736
	Salary	£33,362	£47,869	£77,000

The CEO value used is the total single figure remuneration value for FY20 of £10.298m, as outlined on page 106 of this Report. For UK employees, total pay and benefits are based on actual earnings for the year to 31 March 2020. Annual incentive payments for employees have been calculated using the Experian Group financial performance outcome for FY20, rather than any regional or market business performance results, to ensure a like-for-like comparison across remuneration structures. Selected employee grades below senior management level are also eligible for annual awards of restricted stock, rather than the performance share awards provided to senior management. Where applicable, the LTI value for employees has been calculated by applying the average share price for the three months prior to 31 March 2020 to the number of restricted stock awards granted to the employee in June 2017. This approach has been adopted to provide a like-for-like comparison and ensure the share price growth over the previous three years is reflected equally in both the CEO and employee LTI values. Employees on inbound and outbound international assignments to and from the UK have been excluded from the analysis as their remuneration structures are not representative of the UK norm. In line with the guidance, only individuals employed for the full year have been included in the analysis.

Observations on FY20 pay ratio

The Committee believe it is appropriate that a significant proportion of total remuneration for executive directors is 'at risk' and driven entirely by Group performance, which is within their power to influence. In line with our remuneration principles, the proportion of total compensation that is 'at risk' increases with employee seniority within the Group. For the majority of UK employees, the remuneration framework places greater focus on delivering market-competitive total compensation, with particular focus on delivering competitive fixed pay and benefits. All UK employees are also eligible to receive a market-competitive annual bonus, to ensure they can benefit from the delivery of strong financial performance results.

As a result of the difference in remuneration frameworks, 71% of the CEO's total target remuneration is 'at risk' compared to c.8% on average for UK-based employees. The CEO pay ratio is therefore likely to vary, potentially significantly, over time based on the Group's performance outcomes, as demonstrated in the scenario charts on page 105.

The median pay ratio for FY20 of 178:1 reflects not only the strong performance achieved in the year, but the exceptional performance achieved over the last three years, which are reflected in the CEO's long-term incentive (LTI) vesting values. As LTI values are highly variable, and driven by fluctuations in share price, the Committee has also considered supplemental pay ratios, where the value of LTIs has been excluded. The CEO single figure value excluding LTI compensation was £2.735m for FY20.

Year	Method	25th percentile pay ratio	Median pay ratio	75th percentile pay ratio
FY20	Option A excluding long-term incentives	71:1	47:1	30:1

Some important additional context regarding our FY20 CEO pay ratio includes:

- We have a robust approach to salary management which is underpinned by regular market benchmarking to ensure that we offer competitive rates of pay across the business. We undertake regular reviews to maintain appropriate positioning against the market-linked salary ranges.
- Experian has been a Living Wage employer in the United Kingdom since 2015, and the median salary for UK employees (as reflected in the table on the previous page) is more than 50% above the UK average.
- The Committee considers the all-employee pay review budget when determining salary increases for the CEO and ensures that any percentage increase for the CEO does not exceed that provided to employees. In FY20, the average increase in UK employee base pay was 3.1%, and a 2.6% increase was provided to the CEO.
- It is worth noting that an 'individual performance modifier' is applied in calculating the annual bonus payments for employees, to ensure that the outstanding contributions of high-performing individuals can be reflected through higher bonuses. To ensure a like-for-like comparison with the CEO single figure, the employee calculations as outlined on the previous page do not reflect the impact of individual performance modifiers, which would have considerably increased the annual bonus payments for employees, as individual performance modifiers do not apply to senior management, including the CEO.
- We firmly believe in the value of employee share ownership and encourage employees to participate in our Sharesave offering, which is a tax-efficient plan in the UK and allows employees to share in Experian's growth and success. Around 50% of UK employees participate in Sharesave and the average profit received by UK employees at maturity in FY20 was £5,400, which has not been included in the all-employee values on the previous page.

How has our CEO's pay changed compared to the wider workforce?

The table below sets out the percentage change in the CEO's salary, benefits and annual bonus between FY19 and FY20, 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 45 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	2.6%	(24)%	(3.4)%
UK and Ireland employees	3.1%	4.5%	(27.5)%

Annual report on directors' remuneration
continued

How do we intend to implement the remuneration policy next year?

Salary
As previously mentioned, there will be no salary increases this year and salary levels are therefore:

	1 June 2020 '000	1 June 2019 '000	% increase
Brian Cassin	£973	£973	0%
Lloyd Pitchford	£600	£600	0%
Kerry Williams	US$1,025	US$1,025	0%

Annual bonus
For the year ending 31 March 2021, the measures on which executive directors are assessed will remain unchanged from FY20.

In line with our policy, we will disclose the targets for the annual bonus in next year's Annual report on directors' 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
As outlined earlier in the report we are committed to continuing to set stretching but attainable targets, particularly in the prevailing economic environment. Given the current market uncertainty regarding both the short- and long-term impact of COVID-19, the Committee believes it is appropriate to delay the setting and disclosing of LTI targets until later in 2020, when there is more clarity on the business impact of COVID-19. We would expect this to be within six months of the granting of awards.

While deferral of 50% is compulsory, the executive directors have each elected to defer the full 100% of their FY20 bonuses into the CIP. We expect to grant matching shares in the first quarter of the year ending 31 March 2021, on a two-for-one basis. We also expect to grant PSP awards equivalent to 200% of salary at the same time. 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%	Targets to be set and disclosed no later than December 2020			
Cumulative Benchmark operating cash flow	50%				
PSP awards					
Benchmark Earnings per share (average annual growth)[2]	50%	Targets to be set and disclosed no later than December 2020			
Return on capital employed	25%				
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 exchange rate basis.

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 is 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. As disclosed earlier in the Report, to further strengthen this alignment post-employment, the Remuneration Committee introduced a two-year post-employment shareholding guideline as part of the 2020 Policy review.

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 2020 and the date of this report:

		Shareholding guidelines			Share awards subject to performance conditions		
	Shares held in Experian plc at 31 March 2020	Guideline[8] (% of salary/fee)	Shareholding (% of salary)[1]	Guideline met?	CIP matching awards[2]	PSP awards	Share options[3]
Brian Cassin[4]	**585,983**	300%	1,356%	Yes	443,240	297,564	—
Lloyd Pitchford[4]	**292,587**	200%	1,098%	Yes	273,378	183,545	1,470
Kerry Williams[5]	**180,532**	200%	492%	Yes	361,064	241,347	—
Mike Rogers[6]	**15,287**	100%	84%	No	—	—	—
Dr Ruba Borno[7]	**2,009**	100%	32%	No	—	—	—
Caroline Donahue	**10,000**	100%	161%	Yes	—	—	—
Luiz Fleury	**9,650**	100%	156%	Yes	—	—	—
Deirdre Mahlan	**15,000**	100%	186%	Yes	—	—	—
George Rose	**20,000**	100%	201%	Yes	—	—	—
Don Robert[9]	**648,435**	100%	2,544%	Yes	—	—	—
Paul Walker[9]	**15,000**	100%	274%	Yes	—	—	—

1 Shareholding guidelines have been calculated using the closing share price on 31 March 2020, which was £22.51 and exchange rates at 31 March 2020 of £1:US$1.240 and £1:€1.133.

2 Matching shares granted to Brian Cassin and Lloyd Pitchford are in the form of nil-cost options, which are unvested at 31 March 2020. 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 2020 includes 117,457 and 72,444 invested shares in the CIP respectively.

5 The number of Experian shares held by Kerry Williams at 31 March 2020 includes 180,532 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 Mike Rogers was appointed Chairman on 24 July 2019 and is continuing to build his shareholding.

7 Dr Ruba Borno joined the Board in 2018, and is still building up her shareholding.

8 Executive director shareholding guideline will apply for two years post-employment.

9 Don Robert and Paul Walker both resigned from their positions on 24 July 2019, and their share interests above are reflective of their holdings at that time and have been calculated using the closing share price on 24 July 2019, which was £24.52 and exchange rate at 24 July 2019 of £1:€1.122.

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 & Customs (HMRC) earnings cap. The total unfunded pensions paid to the former directors was £315,881 in the year ended 31 March 2020.

Payments for loss of office (audited)

No payments for loss of office were made in the year (2019: 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 £67,920, £91,050 and US$209,735 respectively for the period under review.

Annual report on directors' 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:

	2020 US$m	2019 US$m	% change
Employee remuneration costs	**1,872**	1,798	4.1%
Dividends paid on ordinary shares	**424**	410	3.4%
Estimated value of earnings-enhancing share repurchases[1]	**16**	111	(85.6)%

1 A key factor for the decrease from FY19 to FY20 was the reduction in net spend under the share repurchase programme in FY20.

The Remuneration Committee

All of our non-executive directors are members of the Committee, which met four times during the year ended 31 March 2020 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 2019 Report on directors' remuneration, and reviewed a draft of the 2020 Report on directors' remuneration.
- Reviewed the Remuneration Policy in advance of the 2020 Policy Renewal. As part of this review the Chairman of the Committee and members of management met with a number of shareholders and investor representative bodies to discuss Experian's executive director remuneration arrangements and listen to feedback from investors before finalising the Policy.
- Discussed at length the key themes emerging from the meetings with shareholders and considered potential changes to the executive Remuneration Policy. The Committee asked its independent advisers and the Global Reward team to review best and emerging practice in Experian's key markets.
- Considered and approved the final changes to the executive remuneration structure and Remuneration Policy, following rigorous debate and discussion.
- Was updated on the Company's response to the UK CEO Pay Ratio disclosure requirement and reviewed the relevant disclosures.
- Was updated on the Company's FY20 gender pay gap disclosure requirement. The Committee had a robust discussion regarding the results and was provided with additional detailed analysis on Experian's gender pay position.
- 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 2019 incentive plan outcomes, the 2020 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 all-employee pay and workforce policies across Experian.
- Initiated the invitation to employees to participate in the 2019 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 during the year against its terms of reference; and
- The Chairman of the Committee attended the UK Employee Forum, to engage with employees, to discuss how Experian's executive remuneration aligns with the wider Group pay policy, and to understand the employees' views on pay-related issues. The Committee Chairman provided feedback to the Board on the key topics discussed.

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 to ensure they are appropriately financially stretching. 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 2020. 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 2020 based on hours spent, were as follows:

Adviser	Fees paid in the year
Willis Towers Watson	£57,145
Mercer Kepler	£14,250

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 2020 and 31 March 2019:

	Fees '000		Benefits '000		Share-based incentives '000		Total '000	
	2020	2019	**2020**	2019	**2020**	2019	**2020**	2019
Don Robert[1] (retired 24 July 2019)	**£200**	£625	**£13**	£6	**—**	—	**£213**	£631
Mike Rogers[2] (appointed Chairman, 24 July 2019)	**€385**	€182	**—**	—	**—**	—	**€385**	€182
Dr Ruba Borno	**€179**	€181	**—**	—	**—**	—	**€179**	€181
Roger Davis (retired 18 July 2018)	**—**	€83	**—**	—	**—**	—	**€0**	€83
Caroline Donahue	**€185**	€187	**—**	—	**—**	—	**€185**	€187
Luiz Fleury[3]	**€256**	€240	**—**	—	**—**	—	**€256**	€240
Deirdre Mahlan	**€231**	€232	**—**	—	**—**	—	**€231**	€232
George Rose	**€254**	€248	**—**	—	**—**	—	**€254**	€248
Paul Walker (retired 24 July 2019)	**€54**	€157	**—**	—	**—**	—	**€54**	€157

1 Don Robert receives an unfunded pension payment from the Group of £521,058 per annum (2019: £480,908).

2 Mike Rogers was appointed Chairman of the Board on 24 July 2019 and will receive an annual fee for this role of €465,000.

3 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 2019. The current fee levels are as follows:

	Annual fee from 1 October 2019	Annual fee prior to 1 October 2019
Base fee	**€158,250**	€150,750
Audit Committee Chairman fee	**€47,750**	€45,500
Remuneration Committee Chairman fee	**€38,250**	€36,500
Deputy Chairman/Senior Independent Director fee	**€95,500**	€91,000

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.

Following the appointment of Mike Rogers as Chairman, George Rose assumed the role of Chairman of the Remuneration Committee, in addition to his role as Senior Independent Director. George Rose did not receive an additional fee for his role as Chairman of the Remuneration Committee.

Annual report on directors' remuneration
continued

Statement of voting at the 2019 AGM

The voting to approve the Annual report on remuneration at the AGM held on 24 July 2019, 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 directors' remuneration	94.4%	5.6%		
	623,203,641	36,691,087	659,894,728	12,037,929
Directors' remuneration policy	75.5%	24.5%		
	523,841,449	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 2019 AGM. These, along with the steps that the Committee has taken to address the key issues raised, are detailed in the Chairman's introduction to 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.

Service contracts

Non-executive directors have letters of appointment which set out their duties and time commitment expected. They are appointed for an initial three-year term, subject to election and annual re-election by shareholders at the AGM. Appointments are renewed by mutual agreement. Details of current non-executive director arrangements are set out below:

		Length of service at 31 March 2020	
Name	Date of appointment	Years	Months
Mike Rogers (appointed Chairman on 24 July 2019)	1 July 2017	2	8
Dr Ruba Borno	1 April 2018	1	11
Caroline Donahue	1 January 2017	3	2
Luiz Fleury	8 September 2015	4	6
Deirdre Mahlan	1 September 2012	7	6
George Rose	1 September 2012	7	6

Executive directors' service contracts contain a 12-month notice period, as set out in the Directors' remuneration policy. Brian Cassin was appointed to the Board on 30 April 2012 as Chief Financial Officer, and 16 July 2014 as Chief Executive Officer. The date of appointment to the Board for Lloyd Pitchford was 1 October 2014 and for Kerry Williams was 16 July 2014.

Directors' remuneration policy

The Directors' remuneration policy was last approved by shareholders at the AGM on 20 July 2017 and the Committee implemented that Policy for the three years to July 2020.

The Policy table includes the changes already made and supported by shareholders over the last three years including 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 CIP. Any changes to the previous Policy are *italicised* below. The detailed Policy below presents our proposed formal Policy to be approved by shareholders at the AGM on 22 July 2020.

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, financial and tax advice, death-in-service provision and company car or allowance. 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 Group. 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 current executive directors is normally equal to 20% of annual gross base salary. *Future UK-based executive directors will receive a cash payment or pension contribution aligned to the wider UK employee workforce (to apply to all incumbents by the end of 2022).* 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.

Directors' remuneration policy
continued

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 up to 100% 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 after three years subject to achieving performance targets over the three-year period. *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 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.
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 after three years subject to achieving performance targets over the three-year period. *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 recruitment. There is no vesting for below-threshold performance. *Achieving threshold 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. 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.

Element and link to strategy	Operation	Maximum potential value and payment at target	Performance metrics and weightings
Shareholding guideline			
To preserve and enhance the long-term alignment of the interests of executive directors with shareholders and promote a long-term approach to performance and risk management.	**During employment:** Executive directors are required to establish and maintain a minimum personal shareholding equal to 3x base salary for the CEO and 2x base salary for other executive directors. Executive directors are required to retain at least 50% of any shares vesting under the CIP and PSP (net of tax) until their during employment shareholding guideline has been met. Shares held beneficially, shares subject to a post-vesting holding period and invested or deferred CIP shares will count when assessing the guideline. Share awards that are still subject to performance conditions and matching shares under the CIP are not included. **Post-employment:** For two years following cessation, (former) executive directors will be required to retain the lower of: - their actual shareholding immediately prior to cessation; and - their shareholding guideline immediately prior to cessation. In determining the actual shareholding at cessation, shares acquired from own purchases will not be counted.	N/A	N/A
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. The net fee for the first quarter of the financial year is used to purchase Experian shares for NEDs and/or the Chairman (as applicable), until the individual has met their shareholding guideline of 1x their estimated annual fee (excluding travel fees). 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-threshold performance. Achieving threshold 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.

Directors' remuneration policy
continued

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.

Legacy arrangements

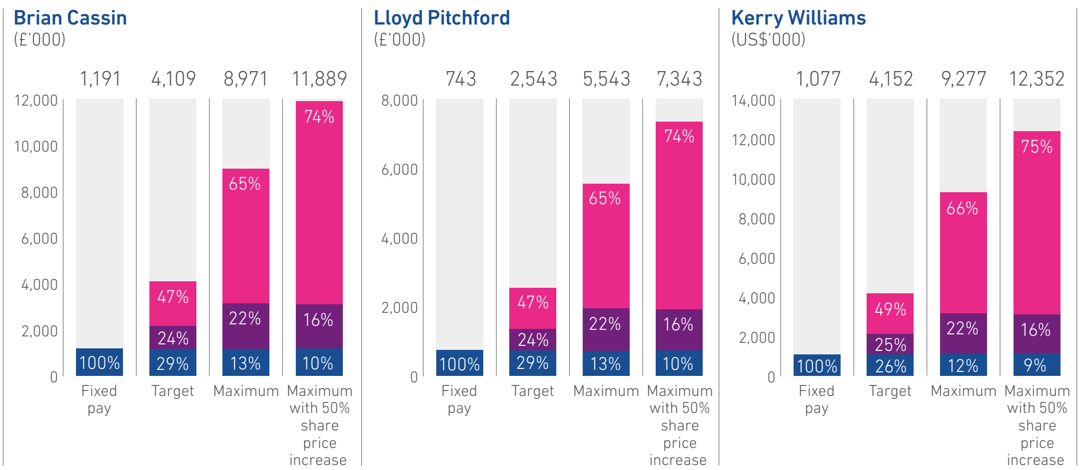
The Committee reserves the right to make any remuneration payments and payments for loss of office (including exercising any discretions available to it in connection with such payments) notwithstanding that they are not in line with the policy set out in this report where the entitlement to the payment arose (i) before the 2020 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 current remuneration policy (as approved by shareholders at the 2017 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.

How does our executive remuneration align with pay of employees across the Group?

Salary	The salary review date for executive directors aligns with the salary review date for all our employees: 1 June each year. Executive director increases are aligned with typical increases awarded across the Group, under normal circumstances.
Benefits and pension	Benefits and pension arrangements are determined based on local market practice for all of our employees across the Group, including executive directors. From 2022 we will be aligning the employer pension contributions for UK-based executive directors with those provided to the wider UK workforce. Our US executive director's pension contribution is currently aligned, and will continue to be, with the US workforce.
Annual bonus	All of our contracted employees participate in either an annual bonus plan or commission scheme. For the annual bonus, the opportunity and performance measures vary depending on grade, location and business unit, however the structure is broadly consistent for all employees.
Long-term incentives	Pay for senior management is primarily differentiated through the use of our long-term incentive plans. Executive directors and around 1,000 senior managers participate in either the PSP and CIP, or receive Restricted share awards. As such, their pay is contingent on the achievement of performance targets and/or delivered in shares. This makes outcomes conditional on successfully delivering our business strategy and, in doing so, incentivises the delivery of long-term shareholder returns.

Pay scenarios

The charts illustrate, for various pay scenarios, the potential future total remuneration that each executive director may realise under the proposed Policy.



The above charts are prepared on the following basis:

Fixed pay: includes FY21 base salary, FY21 cash in lieu of pension allowances and assumes a similar value of benefits as FY20.

Target: includes fixed pay plus the level of performance required to deliver 50% of the maximum annual bonus, and 50% of the maximum PSP and CIP awards respectively, with the CIP matching award being based on 100% deferral.

Maximum: includes fixed pay plus the maximum annual bonus payment and full vesting of the CIP and PSP awards, with the CIP matching award being based on 100% deferral of a maximum annual bonus.

Maximum with 50% share price increase: includes all elements included in maximum and assumes the share price increases 50% above that on the date of grant. The 50% share price increase has been applied to shares received under the PSP and matching shares awarded under the CIP. Dividend equivalents are excluded from the above scenario models.

Our approach to pay on recruitment of executive directors

As a global organisation, Experian competes for executive talent in more than 40 countries. In the marketplace of big-platform, FinTech companies, the demand for talented leaders often outstrips supply. From time to time, it may be necessary to appoint high-calibre executives to the Board, either by recruiting externally or by promoting from within the Group.

In developing a remuneration package for a newly appointed executive director, we would generally set a base salary which takes into account factors such as the individual's skills and experience, the role they would be taking up, internal relativities, the marketplace they'll operate in and their current remuneration package. The incentive arrangements and benefits we offer, including any relocation arrangements, would be in line with the remuneration policy set out in this report.

Maximum level of variable remuneration

We have set the usual maximum level of variable remuneration on recruitment at 800% of base salary. This is in line with the normal levels under our variable remuneration structure, and covers the maximum annual bonus, the maximum face value of a matching award under the CIP and the normal maximum face value of an award under the PSP.

When recruiting an executive director, the Committee would always seek to apply the normal maximum limits. However, we may, in exceptional circumstances, make use of one or more of the higher limits outlined in the remuneration policy if we felt this was necessary in order to secure the appointment of a particular individual.

In the case of an internal promotion to the Board, any existing variable pay element or benefit may be allowed to continue on the same terms.

Buyout awards

For an external appointment to the Board, the Committee may offer further one-off cash and/or share-based remuneration, to compensate the individual for forfeiting any incentive awards made to them by their former employer. We would aim to make this equivalent in value, by taking into account the likelihood of vesting, after assessing the conditions attached to any such awards. As far as possible, we would also replicate the form (i.e. whether cash or share-based) and the timeframe in which vesting was scheduled to occur. These awards may be granted under the terms of UK Listing Rule 9.4.2.

Directors' service contracts and policy on payments for loss of office

Current contracts

Brian Cassin and Lloyd Pitchford have service agreements which are terminable by 12 months' notice from Experian Limited or six months' notice from them. The agreement provides for payment in lieu of notice in respect of base salary only.

Kerry Williams has a service agreement with Experian Services Corp. (ESC) that is terminable by 12 months' notice from ESC or six months' notice from him. The agreement provides for payment in lieu of notice in respect of base salary only.

Non-executive directors don't have service contracts but each has a letter of appointment with no provision for any termination payment. Each appointment is for a renewable three-year term, subject to election or re-election by shareholders, but may be terminated by either party on one month's written notice (six months' notice in the case of the Chairman). Upon termination a non-executive director will be entitled to receive fees and benefits up to the date of termination.

Policy for new hires

Our policy for new hires is that service contracts will generally require no more than 12 months' notice of termination of employment and will follow the UK Corporate Governance Code (the Code) guidelines. We believe that this is in line with best practice, remains market competitive and allows Experian to recruit people who we identify as critical to our future performance.

Directors' remuneration policy
continued

Policy on payments for loss of office

The table below sets out our policy for how we treat executive directors leaving the Group (subject to the current contractual commitments described above).

We reserve the right to make additional exit payments if we need to discharge an existing legal obligation (or pay damages for breaching an obligation). We also reserve the right to make an exit payment by way of settlement or compromise of any claim arising in connection with terminating a director's office or employment.

	Voluntary resignation or termination	Other circumstances such as death, ill health, retirement, disability
Base salary, pension and benefits	Paid, and eligible for, up to the date of termination and for any holidays not taken as at that date.	Paid, and eligible for, up to the date of death or leaving and for any holidays not taken as at that date. If, in the judgment of the Committee, exceptional circumstances apply, such as in the case of death, the Committee may agree to a different approach from that outlined above, for example not applying pro-rating to a payment or not terminating family medical cover immediately.
Annual bonus	Normally no annual bonus is paid in respect of a financial year if an individual has left employment or is under notice prior to the bonus payment date. In the exceptional event any bonus is paid, any election already made to defer annual bonus under the CIP will not apply.	Annual bonus will usually be paid on the normal bonus payment date, in line with performance achieved, pro-rated for the proportion of the financial year worked. If the Committee judges that exceptional circumstances apply, for example in the case of death, the Committee may agree that it is not appropriate to time pro-rate the annual bonus payment. Any election already made to defer annual bonus under the CIP will not apply.
CIP invested/ deferred shares	Invested or deferred shares will be transferred to the individual.	Invested or deferred shares will be transferred to the individual.
CIP matching shares and PSP awards	Unvested awards will lapse. Any vested awards structured as nil-cost options which have not been exercised may be exercised up to the normal lapse date.	In the case of death, performance conditions will cease to apply and unvested awards will vest immediately. In all other cases, subject to the Committee's discretion and its view of the director's performance, unvested awards will vest at the end of the performance period and remain subject to the relevant performance conditions. In all circumstances, the number of shares vesting will normally be reduced prorata, to reflect the number of months from the start of the performance period to the date of cessation of employment as a proportion of the performance period. If the Committee judges that exceptional circumstances apply, for example in the case of death, the Committee may agree that it is not appropriate to time pro-rate the number of shares vesting. Vested awards structured as nil-cost options which have not been exercised may be exercised up to the normal lapse date.
Executive share options	Unvested share options will lapse. Vested options will not lapse and will remain exercisable for six months, unless the reason for leaving is dismissal for misconduct, in which case, subject to Committee discretion, the options will lapse on the date of cessation of employment.	In the case of death, unvested share options will vest immediately and will remain exercisable for 12 months. Any vested share options will also remain exercisable for 12 months. In all other cases, any vested options will remain exercisable for six months following cessation of employment. Unvested options, subject to the Committee's discretion, will vest at the end of the performance period and remain subject to the relevant performance conditions. The number of options vesting will normally be reduced prorata, to reflect the number of months from the start of the performance period to the date of cessation of employment as a proportion of the performance period. These options will be exercisable for six months following vesting.
Awards under all-employee plans	In accordance with the relevant tax regulations or plan rules.	In accordance with the relevant plan rules and tax regulations.

For executive directors who leave the Group in other circumstances, the treatment will normally fall between the two described above. In any event, the overall treatment will be subject to the Committee's judgment.

If there's a change of control, executive directors may exchange their incentive awards (other than CIP invested shares) for awards in the acquiring company. CIP invested shares will be transferred to the individual. Alternatively, incentive awards may vest to the extent that the performance condition has been satisfied. In this circumstance, CIP matching shares and PSP shares will be pro-rated to reflect the number of months from the start of the performance period to the date of the change of control as a proportion of the performance period.

Statement of consideration of employee and shareholder views

Whilst the Committee's remit understandably includes the executive directors' remuneration, we also approve the remuneration structure for other senior executives and work closely with the Global Reward team to ensure a consistent approach is taken to remuneration more widely across the Group. When setting the remuneration policy for the executive directors, we also take into account the pay, employment conditions and remuneration trends across the Group, particularly in determining annual salary increases.

As part of the Committee's standard annual agenda we are provided with an extensive paper setting out details of all employee pay and workforce policies across Experian. The discussions on this topic provide the Committee with helpful insights for framing executive pay considerations. This year, the Chairman of the Committee enhanced this level of insight by attending the UK Employee Forum to explain to forum members how executive pay arrangements align with wider Group pay policy and invited the forum members to share their views on executive pay arrangements. Additionally, as outlined earlier in this report, every year we review and act upon the outcome of our Experian People Survey, and the Committee members are provided with a summary of both the survey results and actions taken.

The Chairman of the Committee frequently writes to our largest shareholders and investor representative bodies, such as the Investment Association, Glass Lewis and Institutional Shareholder Services Inc., to seek their input on any proposed changes to our remuneration structure or broader directors' remuneration policy. We then engage in further discussion and clarification, to help them make an informed voting decision as required. Any major concerns are discussed with the Committee Chairman first, and the rest of the Committee as appropriate.

At the Committee's first meeting following each AGM, we consider all the shareholder feedback received in relation to the AGM. We also consider this feedback, and any other feedback received during meetings or from any correspondence, as part of our annual review of remuneration policy, which normally takes place at our meetings in November and January.

On behalf of the Remuneration Committee

Charles Brown
Company Secretary

19 May 2020

Directors' report

The directors present their report and the audited financial statements for the year ended 31 March 2020. 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 2020 of US$677m (2019: US$701m). 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 (2019: 32.5 US cents) to be paid on 24 July 2020 to shareholders on the register of members on 26 June 2020. A first interim dividend of 14.5 US cents per ordinary share was paid on 31 January 2020, giving a total dividend for the year of 47.0 US cents per ordinary share (2019: 46.5 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 42 and note 43 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 47 to the Group financial statements.

Share capital

Details of the Company's share capital and changes during the year ended 31 March 2020 are set out in note P 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 2020.

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, contribution and experience are shown in the Board of directors section. Don Robert retired as a director and Chairman and Paul Walker retired as a non-executive director on 24 July 2019.

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 19 May 2020.

In line with the UK Corporate Governance Code, as at the date of this report, all directors, being eligible, will offer themselves for re-election at the 2020 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 and outcomes.

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 2020 AGM will be held in Dublin, Ireland, on Wednesday 22 July 2020. Shareholders 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 P 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 19 May 2020, the Company had been notified of the indirect interest below in its issued ordinary share capital or voting rights.

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 2020 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 24 July 2019. It permits the Company to purchase 91,002,624 of its own shares in the market.

On 15 May 2019, the Company announced its intention to purchase its own shares, through a US$400m share repurchase programme. Recognising our capital priorities at this time, we have suspended this programme.

During the year ended 31 March 2020, the Company purchased 3,623,753 of its own shares, (representing 0.4% of the shares in issue at that date (excluding treasury shares)) at a cost of US$111m (with 2,002 shares purchased before the 2019 AGM). No shares have been purchased by the Company since 31 March 2020. All shares purchased under this programme were cancelled.

On 6 June 2019, the Company transferred 1,033,805 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 60,424,585 (2019: 61,458,390) of its own shares as treasury shares, and had an unexpired authority to purchase up to 87,380,873 of its own shares. Details of the new authority being requested at the 2020 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 Q 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.

Substantial shareholdings

Date of notification	Shareholder	Number of ordinary shares/ voting rights	Percentage of issued share capital/ voting rights
8 April 2020	WCM Investment Management, LLC	45,566,464	5.02%

Directors' report
continued

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.

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 sustainable business 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.

Corporate headquarters:
Newenham House
Northern Cross
Malahide Road
Dublin 17
D17 AY61
Ireland

Registered office:
22 Grenville Street
St Helier
Jersey
JE4 8PX
Channel Islands

Auditor information

Relevant audit information
As at 19 May 2020, 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 IFRSs as issued by the International Accounting Standards Board (IASB)), 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, and IFRSs as issued by the IASB, 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

19 May 2020

Financial statements

128 Independent auditor's report

Group financial statements

133 Group income statement
134 Group statement of comprehensive income
135 Group balance sheet
136 Group statement of changes in total equity
137 Group cash flow statement

Notes to the Group financial statements

138 1. Corporate information
138 2. Basis of preparation
138 3. Changes in accounting standards
139 4. Recent accounting developments
140 5. Significant accounting policies
146 6. Critical accounting estimates, assumptions and judgments
147 7. Use of non-GAAP measures in the Group financial statements
148 8. Financial risk management
150 9. Revenue
152 10. Segment information
156 11. Foreign currency
156 12. Labour costs and employee numbers – continuing operations
157 13. Amortisation and depreciation charges
157 14. Fees payable to the Company's auditor
158 15. Exceptional items and other adjustments made to derive Benchmark PBT – continuing operations
159 16. Net finance costs
160 17. Group tax charge
161 18. Discontinued operations
161 19. Earnings per share disclosures
162 20. Dividends
162 21. Goodwill
164 22. Other intangible assets
165 23. Property, plant and equipment
166 24. Investments in associates
166 25. Trade and other receivables
167 26. Cash and cash equivalents
168 27. Trade and other payables
168 28. Borrowings
170 29. Net debt (non-GAAP measure)
171 30. Leases
173 31. Financial assets and liabilities
178 32. Fair value methodology
178 33. Contractual undiscounted future cash flows for financial liabilities
179 34. Share incentive plans
181 35. Post-employment benefit plans and related risks
182 36. Post-employment benefits – IAS 19 information
185 37. Deferred and current tax
187 38. Provisions
187 39. Called-up share capital and share premium account
187 40. Retained earnings and other reserves
188 41. Notes to the Group cash flow statement
190 42. Acquisitions
191 43. Disposals
192 44. Commitments
192 45. Contingencies
193 46. Related party transactions
194 47. Events occurring after the end of the reporting period

Company financial statements

195 Company profit and loss account
195 Company statement of comprehensive income
195 Company balance sheet
196 Company statement of changes in total equity
197 Notes to the Company financial statements

Independent auditor's report

to the members of Experian plc

1. Our opinion is unmodified

We have audited the Consolidated Financial Statements of Experian plc (the Company or the Parent Company) for the year ended 31 March 2020, 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 the International Financial Reporting Standards (IFRS) as adopted by the European Union, of the state of affairs of the Group as at 31 March 2020, 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 2020, and of its profit for the year then ended; and
- have been properly prepared in accordance with the Companies (Jersey) Law, 1991.

Additional opinion in relation to IFRS as adopted by the International Accounting Standards Board (IASB)

As explained in note 2 to the Group Financial Statements, the Group, in addition to complying with its legal obligation to apply IFRS as adopted by the European Union, has also applied IFRS as issued by the IASB.

In our opinion, the Group Financial Statements have been properly prepared in accordance with IFRS as issued by the IASB.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the Company 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 (2019: US$47m)
Group financial statements as a whole	5% (2019: 5%) of Group profit before tax (continuing operations)
Scoping	89% (2019: 89%) of Group revenue
	81% (2019: 80%) of Group profit before tax (continuing operations)
	89% (2019: 91%) of Group total assets

Risks of material misstatement vs 2019	
Recurring risks	Provisions for taxation
	Impairment of goodwill
	Provisions for litigation and contingent liabilities
	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.

During the year we have expanded our existing key audit matter in relation to the goodwill impairment assessment to also include the Asia Pacific cash generating unit. The COVID-19 pandemic has resulted in lower headroom in the Asia Pacific impairment model which also is sensitive to key assumptions. This has increased the risk in our current year audit.

In arriving at our audit opinion above, the key audit matters, in decreasing order of audit significance, were as follows:

	The risk	Our response
Tax – uncertain tax positions and tax planning (US$327m; 2019: US$336m) Refer to the Audit committee report within the Corporate Governance Report and the Group Financial Statements notes 5 6,17, 37(b) and 45(b).	**Dispute outcome** Experian operates in a number of territories worldwide with complex local and international tax legislation. Significant uncertainties arise over ongoing tax matters in the UK, the USA, Brazil and Colombia. 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 audit 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.

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 and Asia Pacific cash generating units (CGUs) (US$414m; 2019: US$206m) Refer to the Audit committee report within the Corporate Governance Report and the Group Financial Statements notes 5, 6 and 21.	**Forecast-based valuation** As a result of the wider economic implications of the COVID-19 global pandemic, the risk of goodwill impairment in respect of the EMEA and Asia Pacific CGUs has increased. As a result, we have expanded our goodwill impairment key audit matter in respect of the EMEA CGU to also include the Asia Pacific CGU this year. The total carrying value of goodwill as at 31 March 2020 is US$4,543m. Of this, US$4,129m 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$414m relates to the EMEA and Asia Pacific CGUs. The estimated recoverable amount of these CGUs shows relatively low headroom and the models are sensitive to changes in key assumptions along with any decline in forecast trading which could have a material impact on the carrying value of the 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. The Financial Statements (note 21) disclose the sensitivity estimated by the Group.	**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, having been sensitised for the impact of COVID-19, and customer contracts, where available, for the forecasts 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.
Provisions for litigation and contingent liabilities (US$30m; 2019: US$17m) Refer to the Audit Committee Report within the Corporate Governance Report and the Group Financial Statements notes 6, 38 and 45.	**Dispute outcome** The Group operates in an industry with continuously increasing levels of regulation, including the General Data Protection Regulation in the European Union, Consumer Finance Protection Bureau 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 audit 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, as well as challenging management's assumptions on the likelihood and quantum of potential cash outflows; and **Historical comparisons:** Comparing the outcomes of historical legal cases to current cases with similar fact patterns; and **Assessing transparency:** Assessing whether the Group's disclosures detailing significant legal proceedings adequately disclose the potential liabilities of the Group.
Recoverability of Parent Company's investment in and amounts due from subsidiaries (Investment in subsidiaries – US$17,413.2m, 2019: US$5,301.3m. Amounts owed by subsidiary undertakings – US$1,728.0m, 2019: US$15,073.3m) Refer to the Parent Company Financial Statements notes L and N.	**Low risk, high value** The carrying amount of the Parent Company's investments in, and amounts due from, subsidiaries represents 91% (2019: 26%) and 9% (2019: 74%) 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 audit 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 (2019: US$47m), determined with reference to a benchmark of consolidated group profit before tax on continuing operations, of which it represents 5% (2019: 5%).

Materiality for the Parent Company Financial Statements as a whole was set at US$25m (2019: US$25m), determined with reference to a benchmark of Company total assets, of which it represents 0.1% (2019: 0.1%).

We agreed to report to the Audit Committee any corrected or uncorrected identified misstatements exceeding US$2.3m (2019: 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 189 (2019: 171) reporting components, we subjected three (2019: three) to full scope audits for Group purposes.

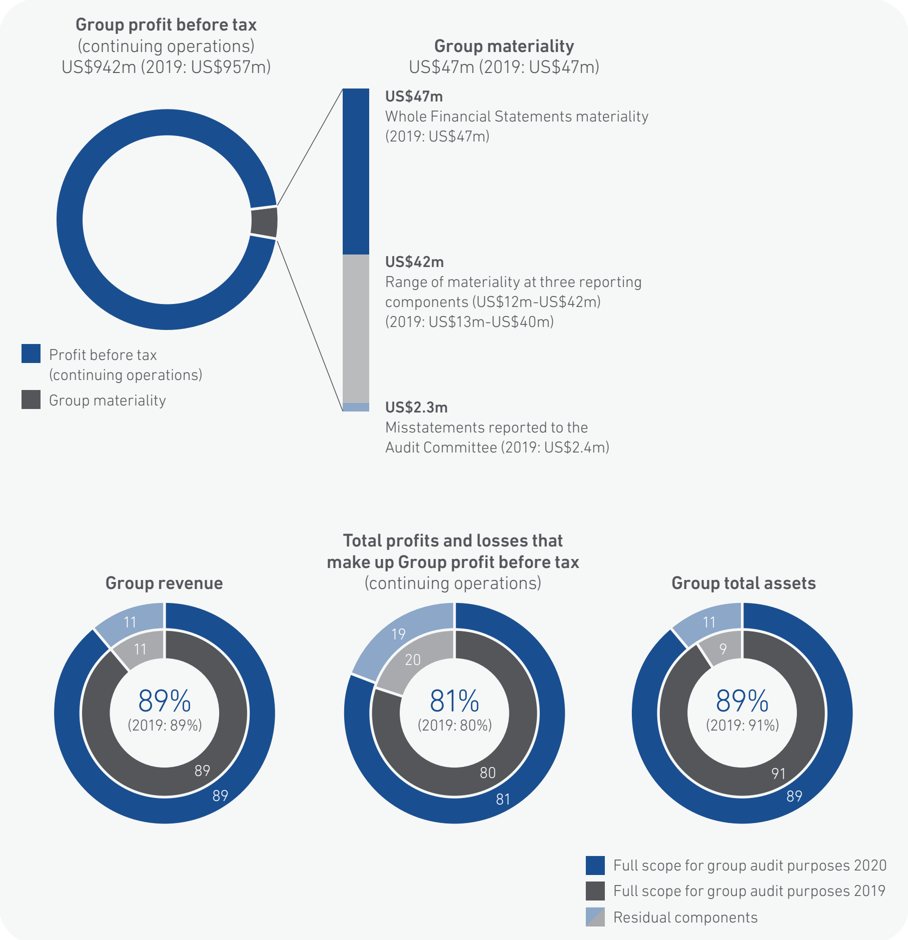
The three reporting components and work performed by the Group audit team accounted for the percentages illustrated opposite.

The remaining 11% of total Group revenue, 19% of total profits and losses that make up Group profit before tax (continuing operations) and 11% of total Group assets is represented by 184 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$12m to US$42m (2019: US$13m to US$40m) having regard to the mix of size and risk profile of the Group across the components.



The work on three of the 189 components (2019: three of the 171 components) was performed by component auditors (KPMG member firms) and 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.

The Group audit team visited one (2019: three) component location in the UK (2019: the USA, the UK and Brazil) and the US component team also visited the UK to discuss the audit plan and strategy with the group audit team. Planned visits to the USA and Brazil components by the group audit team in March 2020 were cancelled as a result of the COVID-19 pandemic, these were replaced by video calls with the local teams. Telephone and video conference meetings were also held with these component audit teams. 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 trading conditions and unpredictable financial markets or fiscal developments occurring globally as a result of the current COVID-19 pandemic, 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 emerging and 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 (page 71-72) that they have carried out a robust assessment of the emerging and 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 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.

Under the Listing Rules we are required to review the Viability Statement. We have nothing to report in this respect.

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 provisions of the UK Corporate Governance Code specified by the Listing Rules for our review.

We have nothing to report to you 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 126, 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error; assessing the Group 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 Consolidated 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 Consolidated 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, in respect of any further matters on which we have agreed to report, on terms we have agreed with 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 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.

Andrew Bradshaw
for and on behalf of KPMG LLP
Chartered Accountants and Recognized Auditor
15 Canada Square,
London
E14 5GL

19 May 2020

Group income statement

for the year ended 31 March 2020

	Notes	2020 Benchmark[1] US$m	2020 Non-benchmark[2] US$m	2020 Total US$m	2019 Benchmark[1] US$m	2019 Non-benchmark[2] US$m	2019 Total US$m
Revenue	9,10	5,179	—	**5,179**	4,861	—	4,861
Labour costs	12(a)	(1,864)	(8)	**(1,872)**	(1,795)	(3)	(1,798)
Data and information technology costs		(753)	—	**(753)**	(645)	—	(645)
Amortisation and depreciation charges	13	(413)	(124)	**(537)**	(326)	(111)	(437)
Marketing and customer acquisition costs		(378)	—	**(378)**	(342)	—	(342)
Other operating charges		(392)	(62)	**(454)**	(445)	(37)	(482)
Total operating expenses		(3,800)	(194)	**(3,994)**	(3,553)	(151)	(3,704)
Profit on disposal of businesses	15(b)	—	—	—	—	5	5
Operating profit/(loss)		1,379	(194)	**1,185**	1,308	(146)	1,162
Interest income		13	—	**13**	12	—	12
Finance expense		(145)	(125)	**(270)**	(125)	(95)	(220)
Net finance costs	16	(132)	(125)	**(257)**	(113)	(95)	(208)
Share of post-tax profit of associates		8	6	**14**	3	—	3
Profit/(loss) before tax	10	1,255	(313)	**942**	1,198	(241)	957
Group tax (charge)/credit	17	(324)	61	**(263)**	(306)	50	(256)
Profit/(loss) for the financial year from continuing operations		931	(252)	**679**	892	(191)	701
Loss for the financial year from discontinued operations	18	—	(2)	**(2)**	—	—	—
Profit/(loss) for the financial year		931	(254)	**677**	892	(191)	701
Attributable to:							
Owners of Experian plc		929	(254)	**675**	886	(191)	695
Non-controlling interests		2	—	**2**	6	—	6
Profit/(loss) for the financial year		931	(254)	**677**	892	(191)	701
Total Benchmark EBIT[1]		1,387	—	**1,387**	1,311	—	1,311

	Notes	2020 US cents	2020 US cents	2020 US cents	2019 US cents	2019 US cents	2019 US cents
Earnings/(loss) per share							
Basic	19(a)	103.0	(28.2)	**74.8**	98.0	(21.1)	76.9
Diluted	19(a)	102.1	(27.9)	**74.2**	96.9	(20.9)	76.0
Earnings/(loss) per share from continuing operations							
Basic	19(a)	103.0	(28.0)	**75.0**	98.0	(21.1)	76.9
Diluted	19(a)	102.1	(27.7)	**74.4**	96.9	(20.9)	76.0
Benchmark PBT per share[1,3]		139.1			132.5		
Full-year dividend per share[1]	20			**47.0**			46.5

1 Total Benchmark EBIT, Benchmark PBT per share and Full-year dividend per share are non-GAAP measures, defined in note 7.

2 The loss before tax for non-benchmark items of US$313m (2019: US$241m) comprises a charge for Exceptional items of US$35m (2019: credit of US$5m) and charges for other adjustments made to derive Benchmark PBT of US$278m (2019: US$246m). Further information is given in note 15.

3 Benchmark PBT per share is calculated by dividing Benchmark PBT of US$1,255m (2019: US$1,198m) by the weighted average number of ordinary shares of 902 million (2019: 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 2020

	2020 US$m	2019 US$m
Profit for the financial year	**677**	701
Other comprehensive income		
Items that will not be reclassified to profit or loss:		
Remeasurement of post-employment benefit assets and obligations (note 36(b))	**26**	16
Changes in the fair value of financial assets revalued through OCI	**(6)**	(2)
Deferred tax charge	**(5)**	(1)
Items that will not be reclassified to profit or loss	**15**	13
Items that may be reclassified subsequently to profit or loss:		
Currency translation losses	**(313)**	(179)
Items that may be reclassified subsequently to profit or loss	**(313)**	(179)
Items reclassified to profit or loss:		
Cumulative currency translation gain in respect of divestments	**—**	3
Other comprehensive income for the financial year[1]	**(298)**	(163)
Total comprehensive income for the financial year	**379**	538
Attributable to:		
Owners of Experian plc	**378**	533
Non-controlling interests	**1**	5
Total comprehensive income for the financial year	**379**	538

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 2020

	Notes	2020 US$m	2019 US$m
Non-current assets			
Goodwill	21	**4,543**	4,324
Other intangible assets	22	**1,583**	1,474
Property, plant and equipment	23	**502**	333
Investments in associates	24	**123**	122
Deferred tax assets	37(a)	**107**	147
Post-employment benefit assets	36(a)	**83**	61
Trade and other receivables	25(a)	**164**	129
Financial assets revalued through OCI	31(a)	**171**	103
Other financial assets	31(b)	**223**	154
		7,499	6,847
Current assets			
Trade and other receivables	25(a)	**1,078**	1,055
Current tax assets	37(b)	**28**	27
Other financial assets	31(b)	**17**	9
Cash and cash equivalents	26(a)	**277**	149
		1,400	1,240
Current liabilities			
Trade and other payables	27(a)	**(1,430)**	(1,464)
Borrowings	28(a)	**(498)**	(869)
Current tax liabilities	37(b)	**(225)**	(313)
Provisions	38	**(48)**	(41)
Other financial liabilities	31(b)	**(23)**	(152)
		(2,224)	(2,839)
Net current liabilities		**(824)**	(1,599)
Total assets less current liabilities		**6,675**	5,248
Non-current liabilities			
Trade and other payables	27(a)	**(121)**	(99)
Borrowings	28(a)	**(3,916)**	(2,455)
Deferred tax liabilities	37(a)	**(202)**	(132)
Post-employment benefit obligations	36(a)	**(48)**	(55)
Other financial liabilities	31(b)	**(107)**	(13)
		(4,394)	(2,754)
Net assets		**2,281**	2,494
Equity			
Called-up share capital	39	**96**	96
Share premium account	39	**1,574**	1,559
Retained earnings	40(a)	**18,826**	18,718
Other reserves	40(b)	**(18,221)**	(17,893)
Attributable to owners of Experian plc		**2,275**	2,480
Non-controlling interests		**6**	14
Total equity		**2,281**	2,494

These financial statements were approved by the Board on 19 May 2020 and were signed on its behalf by:

Kerry Williams
Director

Group statement of changes in total equity

for the year ended 31 March 2020

	Called-up share capital (Note 39) US$m	Share premium account (Note 39) US$m	Retained earnings (Note 40) US$m	Other reserves (Note 40) US$m	Attributable to owners of Experian plc US$m	Non-controlling interests US$m	Total equity US$m
At 1 April 2019	**96**	**1,559**	**18,718**	**(17,893)**	**2,480**	**14**	**2,494**
Comprehensive income:							
Profit for the financial year	**—**	**—**	**675**	**—**	**675**	**2**	**677**
Other comprehensive income for the financial year	**—**	**—**	**15**	**(312)**	**(297)**	**(1)**	**(298)**
Total comprehensive income for the financial year	**—**	**—**	**690**	**(312)**	**378**	**1**	**379**
Transactions with owners:							
Employee share incentive plans:							
– value of employee services	**—**	**—**	**83**	**—**	**83**	**—**	**83**
– shares issued on vesting	**—**	**15**	**—**	**—**	**15**	**—**	**15**
– purchase of shares by employee trusts	**—**	**—**	**—**	**(92)**	**(92)**	**—**	**(92)**
– other vesting of awards and exercises of share options	**—**	**—**	**(64)**	**76**	**12**	**—**	**12**
– related tax credit	**—**	**—**	**5**	**—**	**5**	**—**	**5**
– other payments	**—**	**—**	**(5)**	**—**	**(5)**	**—**	**(5)**
Purchase and cancellation of own shares	**—**	**—**	**(112)**	**—**	**(112)**	**—**	**(112)**
Transactions in respect of non-controlling interests	**—**	**—**	**(65)**	**—**	**(65)**	**(7)**	**(72)**
Dividends paid	**—**	**—**	**(424)**	**—**	**(424)**	**(2)**	**(426)**
Transactions with owners	**—**	**15**	**(582)**	**(16)**	**(583)**	**(9)**	**(592)**
At 31 March 2020	**96**	**1,574**	**18,826**	**(18,221)**	**2,275**	**6**	**2,281**

	Called-up share capital (Note 39) US$m	Share premium account (Note 39) US$m	Retained earnings (Note 40) US$m	Other reserves (Note 40) US$m	Attributable to owners of Experian plc US$m	Non-controlling interests US$m	Total equity US$m
At 1 April 2018	97	1,546	18,609	(17,775)	2,477	7	2,484
Comprehensive income:							
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 vesting of awards and exercises of share 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

Group cash flow statement
for the year ended 31 March 2020

	Notes	2020 US$m	2019 US$m
Cash flows from operating activities			
Cash generated from operations	41(a)	**1,694**	1,639
Interest paid		**(157)**	(134)
Interest received		**5**	5
Dividends received from associates		**6**	6
Tax paid		**(286)**	(233)
Net cash inflow from operating activities – continuing operations		**1,262**	1,283
Net cash outflow from operating activities – discontinued operations	18	**(6)**	(42)
Net cash inflow from operating activities		**1,256**	1,241
Cash flows from investing activities			
Purchase of other intangible assets	41(c)	**(403)**	(348)
Purchase of property, plant and equipment		**(84)**	(91)
Sale of property, plant and equipment		**5**	13
Purchase of other financial assets		**(95)**	(25)
Acquisition of subsidiaries, net of cash acquired	41(d)	**(600)**	(72)
Purchase of investments in associates		**—**	(5)
Disposal of subsidiaries – continuing operations		**—**	12
Net cash flows used in investing activities		**(1,177)**	(516)
Cash flows from financing activities			
Cash inflow in respect of shares issued	41(e)	**15**	13
Cash outflow in respect of share purchases	41(e)	**(203)**	(228)
Other payments on vesting of share awards		**(5)**	(4)
Transactions in respect of non-controlling interests	41(d)	**(67)**	3
New borrowings		**1,519**	1,035
Repayment of borrowings		**(553)**	(1,118)
Payment of lease liabilities		**(55)**	—
Net (payments)/receipts for cross-currency swaps and foreign exchange contracts		**(169)**	5
Net receipts from equity swaps		**5**	3
Dividends paid		**(426)**	(411)
Net cash flows from/(used in) financing activities		**61**	(702)
Net increase in cash and cash equivalents		**140**	23
Cash and cash equivalents at 1 April		**146**	137
Exchange movements on cash and cash equivalents		**(14)**	(14)
Cash and cash equivalents at 31 March	41(f)	**272**	146

Notes to the Group financial statements

for the year ended 31 March 2020

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 2019.

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). The financial statements also comply with IFRS as issued by the International Accounting Standards Board (IASB). EU-IFRS differs in certain respects from IFRS as issued by the IASB, however, the differences have no material impact for the periods presented
- 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 basis of preparation of the Group financial statements since the Annual Report for the year ended 31 March 2019.

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.

Going concern

In adopting the going concern basis for preparing these financial statements, the directors have considered the business activities, the principal risks and uncertainties and the other matters discussed in connection with the Viability statement. This includes the modelling of our most significant 'plausible but severe' test of a significant data breach, in addition to a cautious scenario for the impact of COVID-19. At 31 March 2020 the Group had undrawn committed bank borrowing facilities of US$2.2bn and under the modelled scenarios we would comfortably maintain sufficient undrawn capacity and satisfy all borrowing facility covenants.

The directors believe that the Group is well placed to manage its financing and other business risks satisfactorily, and have a reasonable expectation that the Group will have adequate resources to continue in operational existence. The directors therefore 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 2020 which have a material impact on the Group financial statements are detailed below.

IFRS 16 'Leases'

With effect from 1 April 2019, the Group has adopted IFRS 16 'Leases' which replaces IAS 17 'Leases'.

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 have recognised both right-of-use assets and lease liabilities on our balance sheet, increasing both assets and financial liabilities.

In accordance with the IFRS 16 transition guidance, we have adopted the new rules using the modified retrospective approach which allows the matching of the opening right-of-use assets with the opening lease liabilities on 1 April 2019. Under this approach, no restatement of comparative information is required.

We have used the following practical expedients when adopting IFRS 16:

- Applied a single discount rate to a portfolio of leases with similar characteristics.
- Relied on our previous assessment as to whether leases are onerous under IAS 37 'Provisions, Contingent Liabilities and Contingent Assets', at 31 March 2019, rather than performing impairment tests on transition.
- Excluded initial direct costs from the measurement of the right-of-use assets at 1 April 2019.

The weighted average incremental borrowing rate applied to lease liabilities on initial recognition at 1 April 2019 was 4.5%.

There was no material difference between the operating lease commitments disclosed at 31 March 2019 under IAS 17, discounted using the incremental borrowing rate on initial recognition, and the lease liabilities recognised in the Group balance sheet at 1 April 2019.

3. Changes in accounting standards continued

The impact of adoption on the Group's financial results is set out below:

Group income statement (extract)	Year ended 31 March 2020 Proforma IAS 17 US$m	IFRS 16 adjustment US$m	As reported US$m
Total Benchmark EBIT[1]	1,377	10	**1,387**
Benchmark net finance costs	(122)	(10)	**(132)**
Group tax charge	(263)	—	**(263)**
Exceptional items and other adjustments made to derive Benchmark PBT	(313)	—	**(313)**
Loss for the financial year from discontinued operations	(2)	—	**(2)**
Profit for the financial year	677	—	**677**

1 Total Benchmark EBIT is a non-GAAP measure, defined in note 7.

The operating lease expense previously reported under IAS 17 on a straight-line basis has been replaced by depreciation of right-of-use assets and interest on lease liabilities with no material impact on our operating results.

We also made lease payments of US$9m, in the year ended 31 March 2020, in respect of low-value assets which continue to be recognised as an expense, on a straight-line basis, in the Group income statement. This treatment utilises the exemption available in IFRS 16 for such assets. We have chosen not to apply the exemption for short-term leases and have no material sub-lease income. In addition, we have updated our definition of Net debt and Net funding to exclude lease liabilities (see note 7(q)).

Group balance sheet (extract)	At 31 March 2019 US$m	IFRS 16 adjustment US$m	At 1 April 2019 US$m
Non-current assets			
Property, plant and equipment	333	192	**525**
Current assets			
Trade and other receivables	1,055	(1)	**1,054**
Current liabilities			
Trade and other payables	(1,464)	5	**(1,459)**
Borrowings	(869)	(41)	**(910)**
Non-current liabilities			
Trade and other payables	(99)	8	**(91)**
Borrowings	(2,455)	(163)	**(2,618)**
Other	5,993	—	**5,993**
Net assets	2,494	—	**2,494**
Total equity	2,494	—	**2,494**

In the Group cash flow statement, principal lease payments are now presented within cash flows used in financing with the associated interest recorded as a cash outflow from operating activities. Previously lease payments were recognised as cash outflows from operating activities.

4. Recent accounting developments

There are no new standards, amendments to existing standards or interpretations that are not yet effective that are 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.

Notes to the Group financial statements
continued

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 (p) – balance sheet policies, to be read in conjunction with specific notes as indicated;
- sections (q) to (x) – income statement policies, to be read in conjunction with specific notes as indicated; and
- section (y) – the policy and presentation principles adopted for disclosing segment information, in accordance with IFRS 8 'Operating Segments'.

(a) Basis of consolidation

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 2020. A full list of subsidiary undertakings is given in note S to the Company 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

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 financial assets revalued through OCI 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.

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

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.

5. Significant accounting policies continued

(d) Impairment of non-financial 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)

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. 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.

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)

Purchased items of property, plant and equipment are held at cost less accumulated depreciation and any impairment in value. Cost includes the original purchase price of the asset and amounts attributable to bringing the asset to its working condition for its intended use.

Depreciation is charged on a straight-line basis as follows:

- Freehold properties – over 50 years.
- Leasehold improvements to short leasehold properties – over the remaining period of the lease.
- Plant and equipment – over three to ten years, according to the asset's estimated useful life. Technology-based assets are typically depreciated over three to five years, with other infrastructure assets depreciated over five to ten years.

(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.

Notes to the Group financial statements
continued

5. Significant accounting policies continued

(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 31)
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 or 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.

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.

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.

5. Significant accounting policies continued

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.

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) Leases (note 30)

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

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

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

Subsequently, right-of-use assets are measured at cost less accumulated depreciation and impairment losses and are adjusted for any remeasurement of the lease liability. Depreciation is calculated on a straight-line basis over the shorter of the lease period or the estimated useful life of the right-of-use asset, which is determined on a basis consistent with purchased assets (see note 5(g).

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

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

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

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

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

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

(n) Post-employment benefit assets and obligations (note 36)

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.

Notes to the Group financial statements
continued

5. Significant accounting policies continued

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.

(o) Own shares (note 40)

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.

(p) 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.

(q) 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.

Costs incurred prior to the satisfaction or partial-satisfaction of a performance obligation are first assessed to see if they are within the scope of other standards. Where they are not, certain costs are recognised as an asset providing they relate directly to a contract (or an anticipated contract), generate or enhance resources that will be used in satisfying (or to continue to satisfy) performance obligations in the future and are expected to be recovered from the customer. Costs which meet this criteria are 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.

(r) 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(u). Those for post-employment benefits are set out in note 5(n).

Details of the Group's amortisation and depreciation policy are given in notes 5(f), 5(g) and 5(m). The principles upon which impairment charges on tangible and intangible assets are recognised are set out in notes 5(d) and 5(e).

5. Significant accounting policies continued

(s) 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.

(t) 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.

(u) Share incentive plans (note 34)

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.

(v) Contingent consideration

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.

(w) 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.

(x) Earnings per share (EPS) (note 19)

Earnings per share are reported in accordance with IAS 33.

(y) 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.

Notes to the Group financial statements
continued

5. Significant accounting policies continued

The chief operating decision maker assesses the performance of these operating segments on the basis of Benchmark EBIT, as defined in note 7.

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, 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 or to right-of-use assets.

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 within the next financial year 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, 37 and 45(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.

(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:

6. Critical accounting estimates, assumptions and judgments continued

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 performance 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' Benchmark 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.

(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 2020, 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.

Notes to the Group financial statements
continued

7. Use of non-GAAP measures in the Group financial statements continued

(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, principal lease payments and the Group's share of the Benchmark 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 lease liabilities and 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 lease liabilities and 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 2019 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. Such derivative financial instruments are also used to manage the Group's borrowings so that amounts are held in currencies broadly in the same proportion as the Group's main earnings. 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;
- managing the liquidity of Group undertakings in the functional currency of those undertakings by using an in-house banking structure and hedging any remaining foreign currency exposures with forward foreign exchange contracts;

8. Financial risk management continued

- 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 50% and 100% 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 31 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 balance sheet date 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 33.

(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.

Notes to the Group financial statements
continued

9. Revenue

(a) Disaggregation of revenue from contracts with customers

Year ended 31 March 2020	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	**1,642**	**618**	**381**	**213**	**2,854**
Decisioning	**679**	**114**	**227**	**218**	**1,238**
Business-to-Business	**2,321**	**732**	**608**	**431**	**4,092**
Consumer Services	**926**	**—**	**161**	**—**	**1,087**
Total ongoing activities	**3,247**	**732**	**769**	**431**	**5,179**

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

Total revenue comprises 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$nil (2019: US$6m comprised UK and Ireland Decisioning revenue).

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(q).

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$107m (2019: US$104m). 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$58m (2019: US$61m).

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$370m (2019: US$448m) was included in the opening contract liability. Cash received in advance not recognised as revenue in the year was US$377m (2019: US$390m). The increase in contract liabilities resulting from business combinations during the year was US$7m (2019: US$6m).

Foreign exchange accounts for US$8m and US$23m of the decrease in contract asset and contract liability balances in the year respectively (2019: US$6m and US$31m).

(c) Contract costs

The carrying amount of assets recognised from costs to obtain and costs to fulfil contracts with customers at 31 March 2020 is US$28m and US$68m respectively (2019: US$26m and US$74m).

Amortisation of contract costs in the year is US$74m (2019: US$77m) and recognised impairment losses totalled US$5m (2019: US$1m).

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 2020 is US$4.6bn (2019: US$5.5bn). We expect to recognise approximately 43% (2019: 41%) of this value within one year, 25% (2019: 27%) within one to two years, 15% (2019: 14%) within two to three years and 17% (2019: 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 all 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 2021; it also excludes the majority of our direct-to-consumer arrangements.

Notes to the Group financial statements
continued

10. Segment information

(a) IFRS 8 disclosures

(i) Income statement

Year ended 31 March 2020	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	**3,247**	**732**	**769**	**431**	**5,179**	**—**	**5,179**
Reconciliation from Benchmark EBIT to profit/(loss) before tax							
Benchmark EBIT	**1,093**	**220**	**171**	**15**	**1,499**	**(112)**	**1,387**
Net interest expense included in Benchmark PBT (note 16(b))	**(5)**	**(2)**	**(1)**	**(2)**	**(10)**	**(122)**	**(132)**
Benchmark PBT	**1,088**	**218**	**170**	**13**	**1,489**	**(234)**	**1,255**
Exceptional items (note 15(a))	**(35)**	**—**	**—**	**—**	**(35)**	**—**	**(35)**
Amortisation of acquisition intangibles	**(85)**	**(17)**	**(8)**	**(14)**	**(124)**	**—**	**(124)**
Acquisition and disposal expenses	**(9)**	**(2)**	**(8)**	**(20)**	**(39)**	**—**	**(39)**
Adjustment to the fair value of contingent consideration	**(1)**	**—**	**5**	**—**	**4**	**—**	**4**
Non-benchmark share of post-tax profit of associates	**—**	**—**	**—**	**—**	**—**	**6**	**6**
Interest on uncertain tax provisions	**—**	**—**	**—**	**—**	**—**	**(14)**	**(14)**
Financing fair value remeasurements (note 16(c))	**—**	**—**	**—**	**—**	**—**	**(111)**	**(111)**
Profit/(loss) before tax	**958**	**199**	**159**	**(21)**	**1,295**	**(353)**	**942**

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

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 2019	**2,913**	**707**	**813**	**422**	**4,855**
Adjustment to constant exchange rates	—	(1)	3	1	3
Revenue at constant exchange rates for the year ended 31 March 2019	**2,913**	**706**	**816**	**423**	**4,858**
Organic revenue growth	309	89	(20)	(12)	366
Revenue from acquisitions	25	3	1	42	71
Revenue at constant exchange rates for the year ended 31 March 2020	**3,247**	**798**	**797**	**453**	**5,295**
Adjustment to actual exchange rates	—	(66)	(28)	(22)	(116)
Revenue for the year ended 31 March 2020	**3,247**	**732**	**769**	**431**	**5,179**
Organic revenue growth at constant exchange rates	11%	13%	(2)%	(3)%	8%
Total revenue growth at constant exchange rates	11%	13%	(2)%	7%	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 2019.

(iii) Balance sheet

Net assets/(liabilities)

At 31 March 2020	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	2,943	530	656	414	4,543	—	4,543
Investments in associates	22	—	58	7	87	36	123
Other assets	1,816	446	519	476	3,257	976	4,233
Total assets	4,781	976	1,233	897	7,887	1,012	8,899
Total liabilities	(1,010)	(165)	(320)	(228)	(1,723)	(4,895)	(6,618)
Net assets/(liabilities)	**3,771**	**811**	**913**	**669**	**6,164**	**(3,883)**	**2,281**

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

Central Activities and other comprises:

	2020			2019		
	Assets US$m	**Liabilities US$m**	**Net assets/ (liabilities) US$m**	Assets US$m	Liabilities US$m	Net assets/ (liabilities) US$m
Central Activities	512	(241)	271	439	(169)	270
Investments in associates	36	—	36	30	—	30
Net debt	329	(4,227)	(3,898)	163	(3,438)	(3,275)
Tax	135	(427)	(292)	174	(445)	(271)
	1,012	(4,895)	(3,883)	806	(4,052)	(3,246)

Notes to the Group financial statements
continued

10. Segment information continued

(iii) Balance sheet continued

Capital employed

	2020 US$m	2019 US$m
North America	3,771	3,553
Latin America	811	1,014
UK and Ireland	913	855
EMEA/Asia Pacific	669	318
Total operating segments	6,164	5,740
Central Activities	307	300
Non-controlling interests	(6)	(14)
Capital employed attributable to owners	6,465	6,026

(iv) Capital expenditure, amortisation and depreciation

	Capital expenditure		Right-of-use asset additions	Amortisation		Depreciation	
	2020 US$m	2019 US$m	2020 US$m	2020 US$m	2019 US$m	2020 US$m	2019 US$m
North America	222	187	15	134	119	60	37
Latin America	107	97	17	70	69	19	10
UK and Ireland	60	64	9	42	32	25	14
EMEA/Asia Pacific	34	36	9	22	20	21	6
Total operating segments	423	384	50	268	240	125	67
Central Activities	64	55	—	19	17	1	2
Total Group	487	439	50	287	257	126	69

Amortisation and depreciation above only include amounts charged to Benchmark PBT.

(v) Revenue by country – continuing operations

	2020 US$m	2019 (Re-presented) US$m
USA	3,245	2,910
UK	762	810
Brazil	647	618
South Africa	62	38
Colombia	66	71
Other	397	414
	5,179	4,861

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 90% (2019: 89%) of Group revenue.

Revenue attributable to South Africa was previously reported within Other, following the acquisition of Compuscan in the year (see note 42) this is now analysed separately, and consequently comparative information has been re-presented.

(vi) Non-current assets by country

	2020 US$m	2019 (Re-presented) US$m
USA	4,159	3,815
UK	1,042	1,029
Brazil	627	799
South Africa	249	34
Colombia	155	204
Other	608	388
Segment non-current assets by country	6,840	6,269
Central Activities	552	431
Deferred tax	107	147
	7,499	6,847

10. Segment information continued

(vi) Non-current assets by country (continued)

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.

Non-current assets in South Africa were previously reported within Other, following the acquisition of Compuscan in the year (see note 42) they are now analysed separately, and consequently comparative information has been re-presented.

(b) Information on business segments (including non-GAAP disclosures)

Year ended 31 March 2020	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	**4,092**	**1,087**	**5,179**	**—**	**5,179**
Reconciliation from Benchmark EBIT to profit/(loss) before tax					
Benchmark EBIT	**1,242**	**257**	**1,499**	**(112)**	**1,387**
Net interest expense included in Benchmark PBT (note 16(b))	**(8)**	**(2)**	**(10)**	**(122)**	**(132)**
Benchmark PBT	**1,234**	**255**	**1,489**	**(234)**	**1,255**
Exceptional items (note 15(a))	**(35)**	**—**	**(35)**	**—**	**(35)**
Amortisation of acquisition intangibles	**(103)**	**(21)**	**(124)**	**—**	**(124)**
Acquisition and disposal expenses	**(37)**	**(2)**	**(39)**	**—**	**(39)**
Adjustment to the fair value of contingent consideration	**4**	**—**	**4**	**—**	**4**
Non-benchmark share of post-tax profit of associates	**—**	**—**	**—**	**6**	**6**
Interest on uncertain tax provisions	**—**	**—**	**—**	**(14)**	**(14)**
Financing fair value remeasurements (note 16(c))	**—**	**—**	**—**	**(111)**	**(111)**
Profit/(loss) before tax	**1,063**	**232**	**1,295**	**(353)**	**942**

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

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		
	2020	2019	**2020**	2019	2018
US dollar : Brazilian real	**4.12**	3.79	**5.20**	3.89	3.31
Pound sterling : US dollar	**1.27**	1.31	**1.24**	1.31	1.41
Euro : US dollar	**1.11**	1.16	**1.09**	1.12	1.23
US dollar : Colombian peso	**3,382**	3,025	**4,052**	3,163	2,794
US dollar : South African rand	**14.79**	13.76	**17.81**	14.47	11.83

(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 34% in the Brazilian real against the US dollar in the year ended 31 March 2020, a charge of US$54m has been recognised within financing fair value remeasurements (2019: US$37m charge due to 18% 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 11% would result in a US$16m 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	**2020 US$m**	2019 US$m
Wages and salaries		**1,353**	1,310
Social security costs		**218**	208
Share incentive plans	34(a)	**88**	89
Pension costs – defined benefit plans	36(a)	**8**	11
Pension costs – defined contribution plans		**56**	53
Employee benefit costs		**1,723**	1,671
Other labour costs		**149**	127
		1,872	1,798

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 46(d).

(b) Average monthly number of employees (including executive directors)

	2020			2019		
	Full-time	**Part-time**	**Full-time-equivalent**	Full-time	Part-time	Full-time-equivalent
North America	**6,620**	**49**	**6,645**	6,645	43	6,666
Latin America	**3,240**	**73**	**3,276**	3,072	74	3,109
UK and Ireland	**3,371**	**253**	**3,497**	3,449	281	3,589
EMEA/Asia Pacific	**3,671**	**72**	**3,707**	3,116	68	3,150
Total operating segments	**16,902**	**447**	**17,125**	16,282	466	16,514
Central Activities	**186**	**25**	**199**	182	21	193
	17,088	**472**	**17,324**	16,464	487	16,707

13. Amortisation and depreciation charges

	2020 US$m	2019 US$m
Benchmark:		
Amortisation of other intangible assets	287	257
Depreciation of property, plant and equipment	126	69
	413	326
Non-benchmark:		
Amortisation of acquisition intangibles	124	111
	537	437

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. The depreciation charge for the year includes US$54m in respect of right-of-use assets.

14. Fees payable to the Company's auditor

	2020 US$m	2019 US$m
Audit of the Company and Group financial statements	0.6	0.6
Audit of the financial statements of the Company's subsidiaries	4.2	4.0
Audit-related assurance services	0.4	0.4
Other assurance services	0.5	0.5
Total fees payable to the Company's auditor and its associates	5.7	5.5
Summary of fees by nature:		
Fees for audit services	4.8	4.6
Fees for audit-related assurance services	0.4	0.4
Fees for other assurance services	0.5	0.5
	5.7	5.5

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 2020 was that fees for other assurance services were capped at 20% (2019: 50%) of the fees for audit services. In light of the Revised Ethical Standard issued by the UK Financial Reporting Council in December 2019, this cap will be increased to 30% in FY21, but will also include audit-related assurance services.

In the year ended 31 March 2020, fees payable for services, other than fees for audit-related assurance services, were 11% (2019: 12%) of fees payable for audit services. Such fees are reported within Other operating charges.

The US$0.4m of fees for audit-related assurance services relate to the Group's half-yearly financial report and US$0.4m of the fees for other assurance services was paid for reports relating to bond issuance.

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	2020 US$m	2019 US$m
Exceptional items:			
Profit on disposal of businesses	15(b)	—	(5)
Legal provisions movements	15(c)	35	—
Charge/(credit) for Exceptional items		**35**	(5)
Other adjustments made to derive Benchmark PBT:			
Amortisation of acquisition intangibles	13, 22	124	111
Acquisition and disposal expenses		39	24
Adjustment to the fair value of contingent consideration		(4)	16
Non-benchmark share of post-tax profit of associates	24	(6)	—
Interest on uncertain tax provisions		14	14
Financing fair value remeasurements	16(c)	111	81
Charge for other adjustments made to derive Benchmark PBT		**278**	246
Net charge for Exceptional items and other adjustments made to derive Benchmark PBT		**313**	241
By income statement caption:			
Labour costs		8	3
Amortisation and depreciation charges		124	111
Other operating charges		62	37
Profit on disposal of businesses		—	(5)
Within operating profit		194	146
Within share of post-tax profit of associates		(6)	—
Finance expense	16(a)	125	95
Net charge for Exceptional items and other adjustments made to derive Benchmark PBT		**313**	241

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) Legal provisions movements

During the year ended 31 March 2020, there has been a movement in provisions and related receivables in respect of a number of historic legal claims.

16. Net finance costs

(a) Net finance costs included in profit before tax

	2020 US$m	2019 US$m
Interest income:		
Bank deposits, short-term investments and loan notes	(13)	(12)
Interest income	(13)	(12)
Finance expense:		
Eurobonds and notes	89	84
Bank loans, commercial paper, overdrafts and other	35	30
Commitment and facility fees	5	6
Interest on leases	10	—
Interest differentials on derivatives	6	5
Interest expense	145	125
Charge in respect of financing fair value remeasurements (note 16(c))	111	81
Interest on uncertain tax provisions	14	14
Finance expense	270	220
Net finance costs included in profit before tax	257	208

(b) Net interest expense included in Benchmark PBT

	2020 US$m	2019 US$m
Interest income	(13)	(12)
Interest expense	145	125
Net interest expense included in Benchmark PBT	132	113

(c) Analysis of charge for financing fair value remeasurements

	2020 US$m	2019 US$m
Foreign exchange losses on Brazilian real intra-Group funding	54	37
Fair value losses/(gains) on borrowings – attributable to interest rate risk	12	(12)
Fair value gains on borrowings – attributable to currency risk	(28)	(155)
Gains on interest rate swaps – fair value hedges	(26)	—
Losses on cross-currency swaps – fair value hedges	33	175
Fair value losses on non-hedging derivatives	70	23
Other foreign exchange (gains)/losses on financing activities	(1)	12
(Decrease)/increase in present value of put options	(2)	4
Movement in connection with commitments to purchase own shares	(1)	(3)
	111	81

(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)	2020 US$m	2019 US$m
Effect of an increase of 0.7% (2019: 0.7%) on US dollar-denominated Net debt:		
Due to fair value gains on interest rate swaps offset by higher interest on floating rate borrowings	11	10
Effect of an increase of 0.2% (2019: 0.2%) on pound sterling-denominated Net debt:		
Due to the revaluation of borrowings and related derivatives	1	1
Effect of an increase of 2.8% (2019: 2.6%) 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% (2019: 0.1%) on euro-denominated Net debt:		
Due to fair value gains on interest rate swaps offset by higher interest on floating rate borrowings	—	—

Notes to the Group financial statements
continued

17. Group tax charge

(a) Analysis of tax charge in the Group income statement

	2020 US$m	2019 US$m
Current tax:		
Tax on income for the year	206	290
Adjustments in respect of prior years	6	8
Total current tax charge	212	298
Deferred tax:		
Origination and reversal of temporary differences	58	(34)
Adjustments in respect of prior years	(7)	(8)
Total deferred tax charge/(credit)	51	(42)
Group tax charge	**263**	256
The Group tax charge comprises:		
UK tax	10	20
Non-UK tax	253	236
	263	256

(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 (2019: higher) than the main rate of corporation tax in the UK, with the differences explained in note 17(c).

	2020 US$m	2019 US$m
Profit before tax	942	957
Profit before tax multiplied by the main rate of UK corporation tax of 19% (2019: 19%)	179	182
Effects of:		
Adjustments in respect of prior years	(1)	—
Tax on Exceptional items	3	(1)
Income not taxable	(15)	(9)
Losses not recognised	18	16
Expenses not deductible	9	26
Different effective tax rates in non-UK businesses	31	30
Local taxes	40	33
Recognition of previously unrecognised tax losses	(1)	(21)
Group tax charge	**263**	256
Effective rate of tax based on profit before tax	**27.9%**	26.8%

Expenses not deductible include movements in uncertain tax provisions. Local taxes primarily comprise US state taxes.

(ii) Reconciliation of the Group tax charge to the Benchmark tax charge

	2020 US$m	2019 US$m
Group tax charge	263	256
Tax relief on Exceptional items and other adjustments made to derive Benchmark PBT	61	46
Exceptional tax items	—	4
Benchmark tax charge	**324**	306
Benchmark PBT	1,255	1,198
Benchmark tax rate	**25.8%**	25.5%

17. Group tax charge continued

(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 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 2020 the Group held current provisions of US$327m (2019: US$336m) 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. While 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.

18. Discontinued operations

There have been no material divestments during the year ended 31 March 2020. 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. Residual disposal costs of US$2m (2019: US$nil) were incurred during the year.

The cash outflow from operating activities of US$6m (2019: US$42m) relates to CCM and is stated after tax paid on the disposal of the business of US$nil (2019: US$18m).

19. Earnings per share disclosures

(a) Earnings per share

	Basic		Diluted	
	2020 US cents	2019 US cents	**2020 US cents**	2019 US cents
Continuing and discontinued operations	**74.8**	76.9	**74.2**	76.0
Add: loss from discontinued operations	**0.2**	—	**0.2**	—
Continuing operations	**75.0**	76.9	**74.4**	76.0
Add: Exceptional items and other adjustments made to derive Benchmark PBT, net of related tax	**28.0**	21.1	**27.7**	20.9
Benchmark EPS (non-GAAP measure)	**103.0**	98.0	**102.1**	96.9

(b) Analysis of earnings

(i) Attributable to owners of Experian plc

	2020 US$m	2019 US$m
Continuing and discontinued operations	**675**	695
Add: loss from discontinued operations	**2**	—
Continuing operations	**677**	695
Add: Exceptional items and other adjustments made to derive Benchmark PBT, net of related tax	**252**	191
Benchmark earnings attributable to owners of Experian plc (non-GAAP measure)	**929**	886

(ii) Attributable to non-controlling interests

	2020 US$m	2019 US$m
Profit for the financial year attributable to non-controlling interests	**2**	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)	**2**	6

Notes to the Group financial statements
continued

19. Earnings per share disclosures continued

(c) Reconciliation of Total Benchmark earnings to profit for the financial year

	2020 US$m	2019 US$m
Total Benchmark earnings (non-GAAP measure)	931	892
Loss from discontinued operations	(2)	—
Loss from Exceptional items and other adjustments made to derive Benchmark PBT, net of related tax	(252)	(191)
Profit for the financial year	**677**	701

(d) Weighted average number of ordinary shares

	2020 million	2019 million
Weighted average number of ordinary shares	902	904
Add: dilutive effect of share incentive awards, options and share purchases	8	10
Diluted weighted average number of ordinary shares	**910**	914

20. Dividends

	2020		2019	
	US cents per share	US$m	US cents per share	US$m
Amounts recognised and paid during the financial year:				
First interim – paid in January 2020 (2019: February 2019)	14.50	130	14.00	126
Second interim – paid in July 2019 (2019: July 2018)	32.50	294	31.25	284
Dividends paid on ordinary shares	**47.00**	**424**	45.25	410
Full-year dividend for the financial year	**47.00**	**423**	46.50	419

A second interim dividend in respect of the year ended 31 March 2020 of 32.5 US cents per ordinary share will be paid on 24 July 2020, to shareholders on the register at the close of business on 26 June 2020. This dividend is not included as a liability in these financial statements. This second interim dividend and the first interim dividend paid in January 2020 comprise the full-year dividend for the financial year of 47.0 US cents per ordinary share. Further administrative information on dividends is given in the Shareholder and corporate information section. Dividend amounts are quoted gross.

In the year ended 31 March 2020, the employee trusts waived their entitlements to dividends of US$4m (2019: US$4m). There is no entitlement to dividend in respect of own shares held as treasury shares.

21. Goodwill

(a) Movements in goodwill

	2020 US$m	2019 US$m
Cost and net book amount		
At 1 April	4,324	4,452
Differences on exchange	(252)	(175)
Additions through business combinations (note 42(a))	471	49
Disposals	—	(2)
At 31 March	**4,543**	4,324

(b) Goodwill by CGU

	2020 US$m	2019 US$m
North America	2,943	2,776
Latin America	530	671
UK and Ireland	656	671
EMEA	286	129
Asia Pacific	128	77
At 31 March	**4,543**	4,324

21. Goodwill continued

(c) Key assumptions for value-in-use calculations by CGU

	2020		2019	
	Discount rate % pa	Long-term growth rate % pa	Discount rate % pa	Long-term growth rate % pa
North America	**12.5**	**2.3**	11.9	2.3
Latin America	**16.8**	**4.7**	15.9	4.7
UK and Ireland	**10.7**	**2.3**	10.1	2.3
EMEA	**14.7**	**3.9**	13.5	3.9
Asia Pacific	**10.8**	**5.3**	11.1	5.3

As indicated in note 6(a), value-in-use calculations are underpinned by financial budgets, looking forward up to five years. Given the uncertainty resulting from the COVID-19 pandemic, the impact on Experian is difficult to forecast and the range of scenarios is broad. In many of the markets for our services, demand is related to employment levels and other economic factors encapsulated within GDP metrics. GDP related scenarios therefore provide a sensible range of assumptions from which to forecast a range of effects on our business. Management has developed alternative scenarios for FY21 performance, with a cautious view forming the basis of the current-year reviews.

Management's key assumptions in setting the financial model for the initial five-year period were as follows:

- a significant fall in GDP in FY21 (impacting as noted above);
- protection of employment, with a modest cost response to combat the fall in revenue;
- above trend growth as GDP recovers in FY22 and as economic activity opens up compared with the lockdown period, based on currently available external forecasts;
- a return to forecast revenue growth rates in the outer years, based on past experience as adjusted for the strategic opportunities within each CGU; the forecasts used average nominal growth rates in the outer years of up to 12% in EMEA, with Asia Pacific having rates of up to 20%;
- longer term Benchmark EBIT was forecast based on historic margins, which were expected to be broadly stable throughout the period in the mature CGUs, and steadily improving in EMEA and Asia Pacific to 20% and 13% respectively; and
- forecast Benchmark operating cash flow conversion rates were based on historic experience and performance expectations in a range of 65% to 97%.

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 2020

The review for the EMEA CGU indicated that the recoverable amount exceeded the carrying value by US$71m and that any decline in estimated value-in-use in excess of that amount would result in the recognition of an impairment charge. The sensitivities, which result in the recoverable amount being equal to the carrying value, can be summarised as follows:

- an absolute increase of 1.6 percentage points in the discount rate, from 14.7% to 16.3%; or
- an absolute reduction of 2.6 percentage points in the long-term growth rate, from growth of 3.9% to a growth of 1.3%; or
- a reduction of 3.4 percentage points in the forecast terminal profit margin, from 19.9% to 16.5%. A reduction in the annual margin improvement of approximately 0.7 percentage points per year over the five-year forecast period would also reduce the recoverable amount to the carrying value.

We have also considered a scenario where the impact of the current crisis is worse than our baseline model. In such an alternative scenario we would need to take cost actions and would no longer be able to protect employment. After taking identified FY21 cost actions, a reduction in revenue growth rates of 10% per annum would result in the recoverable amount equalling the carrying value.

The review for the Asia Pacific CGU indicated that the recoverable amount exceeded the carrying value by US$89m and that any decline in estimated value-in-use in excess of that amount would result in the recognition of an impairment charge. The sensitivities, which result in the recoverable amount being equal to the carrying value, can be summarised as follows:

- an absolute increase of 1.3 percentage points in the discount rate, from 10.8% to 12.1%; or
- an absolute reduction of 1.7 percentage points in the long-term growth rate, from growth of 5.3% to a growth of 3.6%; or
- a reduction of 3.0 percentage points in the forecast terminal profit margin, from 13.1% to 10.1%. A reduction in the annual margin improvement of approximately 0.6 percentage points per year over the five-year forecast period would also reduce the recoverable amount to the carrying value.

We have also considered a scenario where the impact of the current crisis is worse than our baseline model. In such an alternative scenario we would need to take cost actions and would no longer be able to protect employment. After taking identified FY21 cost actions, a reduction in revenue growth rates of 11% per annum would result in the recoverable amount equalling the carrying value.

The recoverable amount of all other 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.

Notes to the Group financial statements
continued

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 2019	1,023	295	98	1,394	362	709	3,881
Differences on exchange	(73)	(20)	(11)	(170)	(23)	(29)	(326)
Additions through business combinations	144	62	4	1	1	3	215
Other additions	—	—	—	175	39	189	403
Other disposals	—	—	—	(89)	(3)	(12)	(104)
At 31 March 2020	**1,094**	**337**	**91**	**1,311**	**376**	**860**	**4,069**
Accumulated amortisation and impairment							
At 1 April 2019	586	205	83	932	290	311	2,407
Differences on exchange	(47)	(17)	(12)	(124)	(16)	(13)	(229)
Charge for the year	78	36	10	163	28	96	411
Other disposals	—	—	—	(89)	(2)	(12)	(103)
At 31 March 2020	**617**	**224**	**81**	**882**	**300**	**382**	**2,486**
Net book amount at 31 March 2019	437	90	15	462	72	398	1,474
Net book amount at 31 March 2020	**477**	**113**	**10**	**429**	**76**	**478**	**1,583**

	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

Within the above are the following individually material assets at 31 March 2020:

- North America Healthcare customer relationships have a net book value of US$217m, with a remaining amortisation period of eight years.
- Acquired CSID platform with a net book value of US$55m, and a remaining amortisation period of six years.

In addition to the development capitalised above we charged US$153m (2019: US$140m) of research and development costs in the Group income statement.

23. Property, plant and equipment

	Freehold properties US$m	Leasehold improvements US$m	Plant and equipment US$m	Right-of-use assets: Land and buildings US$m	Right-of-use assets: Motor vehicles US$m	Right-of-use assets: Plant and equipment US$m	Total US$m
Cost							
At 31 March 2019 as previously reported	139	142	571	—	—	—	852
Adjustment on adoption of IFRS 16 (see note 3)	—	—	(15)	176	11	20	192
Restated at 1 April 2019	139	142	556	176	11	20	1,044
Differences on exchange	(17)	—	(26)	(10)	—	(1)	(54)
Additions through business combinations	2	—	2	—	—	—	4
Other additions	3	12	69	34	6	10	134
Disposals	—	—	(12)	(3)	(2)	—	(17)
At 31 March 2020	**127**	**154**	**589**	**197**	**15**	**29**	**1,111**
Accumulated depreciation							
At 31 March 2019 as previously reported	43	72	404	—	—	—	519
Adjustment on adoption of IFRS 16 (see note 3)	—	—	(3)	—	—	3	—
Restated at 1 April 2019	43	72	401	—	—	3	519
Differences on exchange	(4)	—	(18)	(2)	—	—	(24)
Charge for the year	3	5	64	40	6	8	126
Disposals	—	—	(9)	(2)	(1)	—	(12)
At 31 March 2020	**42**	**77**	**438**	**36**	**5**	**11**	**609**
Net book amount at 31 March 2019	96	70	167	—	—	—	333
Net book amount at 31 March 2020	**85**	**77**	**151**	**161**	**10**	**18**	**502**

	Freehold properties US$m	Leasehold improvements US$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
Disposal 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
Disposal 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

The net book amount of assets held under finance lease agreements and capitalised in plant and equipment at 31 March 2019 was US$12m.

Notes to the Group financial statements
continued

24. Investments in associates

	2020 US$m	2019 US$m
At 1 April	**122**	125
Differences on exchange	**(5)**	(5)
Additions	**—**	5
Fair value gain on step acquisition	**17**	—
Acquisition of controlling stake in associate	**(19)**	—
Share of profit after tax	**37**	3
Dividends received	**(6)**	(6)
Impairment charge	**(23)**	—
At 31 March	**123**	122

The share of profit after tax of associates includes a US$36m gain, in the year ended 31 March 2020, relating to a significant business disposal by an associate. Subsequently, and in light of the impact of COVID-19, the recoverable amount of the investment in this associate was assessed as at 31 March 2020 and an impairment charge of US$23m was recognised, both the gain on disposal and impairment charge are reported within the non-benchmark share of post-tax profit of associates in the Group income statement.

25. Trade and other receivables

(a) Analysis by type and maturity

	2020 US$m	2019 US$m
Trade and unbilled receivables	**853**	796
Credit note provision	**(13)**	(9)
Trade receivables – after credit note provision	**840**	787
Contract assets	**167**	129
Trade receivables and contract assets	**1,007**	916
Loss allowance	**(25)**	(18)
Net impaired trade receivables and contract assets	**982**	898
VAT and equivalent taxes recoverable	**4**	3
Prepayments	**160**	183
Contract costs	**96**	100
	1,242	1,184
As reported in the Group balance sheet:		
Current trade and other receivables	**1,078**	1,055
Non-current trade and other receivables	**164**	129
	1,242	1,184

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.

At 31 March 2018, the value of trade and unbilled receivables was US$841m and contract assets was US$95m.

(b) Loss allowance matrix

	2020		2019	
	Loss allowance US$m	Gross carrying amount US$m	Loss allowance US$m	Gross carrying amount US$m
Not past-due	**(8)**	**795**	(1)	747
Up to three months past-due	**(3)**	**158**	(1)	128
Three to six months past-due	**(2)**	**24**	(2)	17
Over six months past-due	**(12)**	**30**	(14)	24
Trade receivables and contract assets	**(25)**	**1,007**	(18)	916
Loss allowance (note 25(c))		**(25)**		(18)
Net trade receivables and contract assets		**982**		898

25. Trade and other receivables continued

(c) Movements in the loss allowance

	2020 US$m	2019 US$m
At 1 April	**18**	21
Increase in the loss allowance recognised in the Group income statement	**12**	2
Receivables written off in the year as uncollectable	**(2)**	(2)
Differences on exchange	**(3)**	(3)
At 31 March	**25**	18

(d) Analysis by denomination of currency

	Contract assets		Trade receivables	
	2020 US$m	2019 Re-presented US$m	2020 US$m	2019 Re-presented US$m
US dollar	**73**	49	**478**	420
Pound sterling	**9**	9	**138**	127
Brazilian real	**4**	4	**96**	115
Euro	**35**	21	**32**	29
Colombian peso	**4**	6	**12**	19
South African rand	**5**	2	**10**	6
Other	**37**	38	**49**	53
	167	129	**815**	769

Contract assets and trade receivables denominated in South African rand were previously reported within Other, following the acquisition of Compuscan in the year (see note 42) they are now analysed separately, consequently comparative information has been re-presented.

26. Cash and cash equivalents

(a) Analysis by nature

	2020 US$m	2019 US$m
Cash at bank and in hand	**84**	76
Short-term investments	**193**	73
	277	149

The effective interest rate for cash and cash equivalents held at 31 March 2020 is 1.6% (2019: 2.5%). There is no material difference between the fair value and the book value stated above.

(b) Analysis by external credit rating

	2020 US$m	2019 US$m
Counterparty holding of more than US$2m:		
A rated	**221**	64
B rated	**37**	68
Counterparty holding of more than US$2m	**258**	132
Counterparty holding of less than US$2m	**19**	17
	277	149

Notes to the Group financial statements
continued

27. Trade and other payables

(a) Analysis by type and maturity

	2020		2019	
	Current US$m	Non-current US$m	Current US$m	Non-current US$m
Trade payables	275	—	246	—
VAT and other equivalent taxes payable	23	—	31	—
Social security costs	106	—	98	—
Accruals	480	6	524	12
Contract liabilities	363	87	402	61
Other payables	183	28	163	26
	1,430	121	1,464	99

There is no material difference between the fair value and the book value stated above.

Other payables include employee benefits of US$83m (2019: US$77m) and deferred consideration of US$34m (2019: US$32m).

At 31 March 2018, the value of contract liabilities was US$550m.

(b) Analysis by nature

	2020 US$m	2019 US$m
Financial instruments	572	582
VAT and other equivalent taxes payable	23	31
Social security costs	106	98
Amounts within accruals and contract liabilities	850	852
Items other than financial instruments	979	981
	1,551	1,563

Contractual undiscounted future cash flows in respect of financial instruments are shown in note 33.

28. Borrowings

(a) Analysis by carrying amounts and fair value

	Carrying amount		Fair value	
	2020 US$m	2019 US$m	2020 US$m	2019 US$m
Current:				
Bonds:				
€500m 4.75% Euronotes 2020	—	582	—	584
Bank loans	—	100	—	100
Commercial paper	447	179	447	179
Bank overdrafts	5	3	5	3
Lease obligations (see notes 3 and 30)	46	5	46	5
	498	869	498	871
Non-current:				
Bonds:				
£400m 3.50% Euronotes 2021	509	536	507	548
£400m 2.125% Euronotes 2024	512	532	500	531
€500m 1.375% Euronotes 2026	577	580	556	576
US$500m 4.25% Notes 2029	500	499	574	517
US$750m 2.75% Notes 2030	763	—	718	—
Bank loans	900	300	900	300
Lease obligations (see notes 3 and 30)	155	8	155	8
	3,916	2,455	3,910	2,480
Total borrowings	4,414	3,324	4,408	3,351

The effective interest rates for bonds approximate to the coupon rates indicated above. Other than lease obligations, borrowings are unsecured.

Further information on the methodology used in determining fair values is given in note 32.

28. Borrowings continued

(b) Analysis by maturity

	2020 US$m	2019 US$m
Less than one year	498	869
One to two years	1,300	104
Two to three years	185	738
Three to four years	25	1
Four to five years	527	1
Over five years	1,879	1,611
	4,414	3,324

(c) Analysis by currency

	2020 US$m	2019 US$m
US dollar	3,545	2,646
Pound sterling	722	558
Euro	75	58
Other	72	62
	4,414	3,324

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 its exposures.

(d) Undrawn committed bank borrowing facilities

	2020 US$m	2019 US$m
Facilities expiring in:		
Less than one year	75	—
One to two years	—	375
Two to three years	150	300
Three to four years	—	—
Four to five years	1,950	1,950
	2,175	2,625

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 calculation of the financial covenant excludes the effects of IFRS 16. The Group monitors this, and the Net debt to Benchmark EBITDA leverage ratio, and has complied with this covenant throughout the year.

Notes to the Group financial statements
continued

29. Net debt (non-GAAP measure)

(a) Analysis by nature

	2020 US$m	2019 US$m
Cash and cash equivalents (net of overdrafts)	272	146
Debt due within one year – commercial paper	(447)	(179)
Debt due within one year – bonds and notes	—	(578)
Debt due within one year - bank loans[1]	—	(105)
Debt due after more than one year – bonds and notes	(2,858)	(2,132)
Debt due after more than one year – bank loans[1]	(900)	(308)
Derivatives hedging loans and borrowings	35	(119)
	(3,898)	(3,275)

1 Includes finance lease obligations in the year ended 31 March 2019.

(b) Analysis by balance sheet caption

	2020 US$m	2019 US$m
Cash and cash equivalents	277	149
Current borrowings	(498)	(869)
Non-current borrowings	(3,916)	(2,455)
Borrowings	(4,414)	(3,324)
Total of Group balance sheet line items	(4,137)	(3,175)
Lease obligations reported within borrowings excluded from Net debt from 1 April 2019	201	—
Accrued interest reported within borrowings excluded from Net debt	3	19
Derivatives reported within Other financial assets	52	14
Derivatives reported within Other financial liabilities	(17)	(133)
	(3,898)	(3,275)

(c) Analysis of movements in Net debt

	Derivatives hedging loans and borrowings US$m	Current borrowings US$m	Non-current borrowings US$m	Liabilities from financing activities US$m	Lease obligations US$m	Accrued interest US$m	Cash and cash equivalents US$m	Net debt US$m
At 31 March 2019	(119)	(869)	(2,455)	(3,443)	—	19	149	(3,275)
Lease obligations on transition to IFRS 16[1]	—	(41)	(163)	(204)	217	—	—	13
Cash flow[2]	169	30	33	232	(63)	—	480	649
Borrowings cash flow	—	284	(1,250)	(966)	—	—	—	(966)
Reclassification of borrowings	—	100	(100)	—	—	—	—	—
Net interest paid	—	—	—	—	—	—	(152)	(152)
Movement on accrued interest	—	4	13	17	—	(17)	—	—
Net cash flow	169	418	(1,304)	(717)	(63)	(17)	328	(469)
Non-cash lease obligation additions	—	(20)	(26)	(46)	46	—	—	—
Net share purchases	—	—	—	—	—	—	(188)	(188)
Fair value gains/(losses)	14	31	(44)	1	—	—	—	1
Exchange and other movements	(29)	(17)	76	30	1	1	(12)	20
At 31 March 2020	35	(498)	(3,916)	(4,379)	201	3	277	(3,898)

1 Following the implementation of IFRS 16, leases are excluded from our definition of Net debt, and therefore US$13m of finance lease liabilities previously reported in Net debt at 31 March 2019 have been excluded from 1 April 2019.

2 Lease obligation cash flows include principal and interest payments of US$55m and US$8m respectively.

29. Net debt (non-GAAP measure) continued

	Derivatives hedging loans and borrowings US$m	Current borrowings US$m	Non-current borrowings US$m	Liabilities from financing activities US$m	Lease obligations US$m	Accrued interest US$m	Cash and cash equivalents US$m	Net debt US$m
At 1 April 2018	(74)	(956)	(2,558)	(3,588)	—	24	156	(3,408)
Cash flow	(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 flow	(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)

30. Leases

The Group's lease portfolio consists of 33 significant property leases across the countries in which we operate. In addition, we lease approximately 190 smaller properties, 800 motor vehicles, and a small number of hardware assets. The average remaining lease term is 5.5 years for significant property leases, 1.3 years for other minor property leases and 1.7 years for motor vehicles and plant and equipment. Extension and termination options are included within a number of property and equipment leases across the Group. These are used to maximise operational flexibility in terms of managing assets and lease exposures. The majority of extension and termination options are exercisable only by the Group and not by the respective lessor.

(a) Amounts recognised in the Group balance sheet

	Notes	2020 US$m	2019 US$m
Right-of-use assets:			
Land and buildings	23	**161**	—
Motor vehicles	23	**10**	—
Plant and equipment[1]	23	**18**	12
At 31 March		**189**	12
Lease obligations[1]:			
Current	28	**46**	5
Non-current	28	**155**	8
At 31 March		**201**	13

1 In the year ended 31 March 2019, the Group only recognised leased assets and liabilities in respect of agreements that were classified as 'finance leases' under IAS 17. There is no material difference between the valuation of these assets and liabilities under IAS 17 and the right-of-use assets and lease obligations recognised in accordance with IFRS 16.

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

The Group is exposed to potential future increases in variable lease payments based on an index or a rate, which are not included in the lease obligation until they take effect.

Notes to the Group financial statements
continued

30. Leases continued

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

	2020 US$m	2019 US$m
Less than one year	**54**	4
One to two years	**49**	4
Two to three years	**39**	3
Three to four years	**28**	1
Four to five years	**17**	1
Over five years	**46**	—
Total undiscounted lease liabilities at 31 March	**233**	13

(c) Amounts recognised in the Group income statement

	Notes	2020 US$m	2019 US$m
Depreciation charge for right-of-use assets:			
Land and buildings	23	**40**	—
Motor vehicles	23	**6**	—
Plant and equipment	23	**8**	3
Total depreciation charge for right-of-use assets		**54**	3
Interest expense	16	**10**	—
Expense relating to the lease of low-value assets		**9**	—
Total		**73**	3

(d) Amounts recognised in the Group cash flow statement

During the year ended 31 March 2020, total payments for leases of US$63m comprised US$55m for repayments of principal and US$8m for payments of interest. Finance lease payments in the year ended 31 March 2019 were reported within movements in borrowings.

(e) Lease commitments

The Group's commitments for lease agreements where the term has not yet commenced total US$7m; such amounts are not recognised as lease obligations or right-of-use assets at 31 March 2020.

31. Financial assets and liabilities

(a) Financial assets revalued through OCI

Assets of US$171m (2019: US$103m), comprise listed investments of US$32m (2019: US$36m) held in the UK to secure certain unfunded pension arrangements (note 35(b)) and trade investments of US$139m (2019: US$67m).

(b) Other financial assets and liabilities

(i) Summary

	2020			2019		
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	—	94	94	—	91	91
Derivative financial instruments:						
Fair value hedge of borrowings (cross-currency swaps)	—	10	10	—	15	15
Fair value hedge of borrowings (interest rate swaps)	—	35	35	—	9	9
Derivatives used for hedging	—	45	45	—	24	24
Non-hedging derivatives (equity swaps)	2	—	2	3	1	4
Non-hedging derivatives (foreign exchange contracts)	15	—	15	4	—	4
Non-hedging derivatives (interest rate swaps)	—	58	58	2	38	40
Other financial assets at fair value through profit or loss	—	26	26	—	—	—
Assets at fair value through profit or loss	17	129	146	9	63	72
Total other financial assets	17	223	240	9	154	163
Total other financial assets comprise:						
Loans and receivables	—	94	94	—	91	91
Derivative financial instruments	17	103	120	9	63	72
Convertible loan notes	—	26	26	—	—	—
	17	223	240	9	154	163

	2020			2019		
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)	—	6	6	132	—	132
Derivatives used for hedging	—	6	6	132	—	132
Non-hedging derivatives (equity swaps)	—	1	1	—	—	—
Non-hedging derivatives (foreign exchange contracts)	8	—	8	3	—	3
Non-hedging derivatives (interest rate swaps)	2	100	102	—	13	13
Liabilities at fair value through profit or loss	10	101	111	3	13	16
Derivative financial instruments – total	10	107	117	135	13	148
Options in respect of non-controlling interests	13	—	13	17	—	17
Total other financial liabilities	23	107	130	152	13	165

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. Other financial assets at fair value through profit or loss comprise convertible loan notes purchased when acquiring interests in associates and trade investments.

Notes to the Group financial statements
continued

31. Financial assets and liabilities continued

(b) Other financial assets and liabilities continued

(ii) Fair value and notional principal amounts of derivative financial instruments

	2020				2019			
	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	10	504	6	395	15	899	132	707
Interest rate swaps	93	1,046	102	2,097	49	2,047	13	792
Equity swaps	2	12	1	8	4	21	—	—
Foreign exchange contracts	15	286	8	198	4	304	3	235
	120	1,848	117	2,698	72	3,271	148	1,734

Notional principal amounts are the amount of principal underlying the contracts at the reporting dates.

(iii) Offsetting derivative financial assets and liabilities

	Assets		Liabilities	
	2020 US$m	2019 US$m	2020 US$m	2019 US$m
Reported in the Group balance sheet	120	72	117	148
Related amounts not offset in the Group balance sheet	(70)	(37)	(70)	(37)
Net amount	50	35	47	111

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 2020	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$m)	—	186	—	—	—	300
Weighted average fixed interest rate	—	3.50%	—	—	—	1.66%
Cross-currency swaps:						
Notional amount (US$m)	—	—	—	—	395	504
Weighted average fixed interest rate	—	—	—	—	2.13%	1.38%
Foreign currency risk						
Cross-currency swaps:						
Notional amount (US$m)	—	—	—	—	395	504
EUR:USD forward contract rate	—	—	—	—	—	1.12
GBP:USD forward contract rate	—	—	—	—	1.32	—

31. Financial assets and liabilities continued

(c) Hedge accounting continued

(ii) Analysis of hedging instruments continued

At 31 March 2019	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$m)	—	—	196	—	—	—
Weighted average fixed interest rate	—	—	3.50%	—	—	—
Cross-currency swaps:						
Notional amount (US$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

(d) Impact of hedging instruments

Fair value hedges	**2020** Notional amount of hedging instrument US$m	Carrying amount of hedging instrument Assets US$m	Carrying amount of hedging instrument Liabilities US$m	Changes in fair value used for calculating hedge ineffectiveness (Note 16(c)) US$m
Interest rate risk				
Interest rate swaps	**486**	**35**	**—**	**(26)**
Cross-currency swaps	**899**	**10**	**(6)**	**3**
Foreign exchange risk				
Cross-currency swaps	**899**	**10**	**(6)**	**30**

Fair value hedges	2019 Notional amount of hedging instrument US$m	Carrying amount of hedging instrument Assets US$m	Carrying amount of hedging instrument Liabilities US$m	Changes in fair value used for calculating hedge ineffectiveness (Note 16(c)) US$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

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

31. Financial assets and liabilities continued

(e) Impact of hedged items

	2020		
	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	**(1,424)**	**70**	**12**
Foreign exchange risk			
Borrowings	**(910)**	**(34)**	**(28)**

	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)

Borrowings are reported within Borrowings in the Group balance sheet.

(f) Impact of hedge ineffectiveness

Fair value hedges (Note 16(c))	**2020 US$m**	2019 US$m
Interest rate risk	**(11)**	4
Foreign exchange risk	**2**	4

Hedge ineffectiveness is reported within Net finance costs in the Group income statement.

31. Financial assets and liabilities continued

(g) Analysis by valuation method for items measured at fair value

	2020				2019			
	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	—	45	—	45	—	24	—	24
Assets at fair value through profit or loss	—	75	26	101	—	48	—	48
Amounts reported as Other financial assets (note 31(b))	—	120	26	146	—	72	—	72
Financial assets revalued through OCI (note 31(a))	32	—	139	171	36	—	67	103
	32	120	165	317	36	72	67	175
Financial liabilities:								
Derivatives used for hedging	—	(6)	—	(6)	—	(132)	—	(132)
Liabilities at fair value through profit or loss	—	(111)	(42)	(153)	—	(16)	(44)	(60)
	—	(117)	(42)	(159)	—	(148)	(44)	(192)
Net financial assets/(liabilities)	32	3	123	158	36	(76)	23	(17)

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.

Unlisted equity investments, initially measured at cost, are revalued where sufficient indicators are identified that a change in the fair value has occurred. The inputs to any subsequent valuations are based on a combination of observable evidence from external transactions in the investee's equity and estimated discounted cash flows that will arise from the investment. Valuations of contingent consideration and put and call options associated with corporate transactions are based on the most recent management expectations of relevant business performance, reflecting the different contractual arrangements in place.

There would be no material effect on the amounts stated from any reasonably possible change in such inputs at 31 March 2020.

(h) Analysis of movements in Level 3 assets/(liabilities)

	Year ended 31 March 2020					Year ended 31 March 2019			
	Financial assets revalued through OCI US$m	Other financial assets revalued through profit or loss US$m	Contingent consideration US$m	Other US$m	Total US$m	Financial assets revalued through OCI US$m	Contingent consideration US$m	Other US$m	Total US$m
At 1 April	67	—	(27)	(17)	23	46	(24)	(15)	7
Additions	74	21	(34)	—	61	21	—	—	21
Settlement of contingent consideration	—	—	25	—	25	—	12	—	12
Adjustment to the fair value of contingent consideration	—	—	4	—	4	—	(16)	—	(16)
Valuation gains/(losses) recognised in the Group income statement	—	—	—	2	2	—	—	(4)	(4)
Valuation losses recognised in OCI	(2)	—	—	—	(2)	—	—	—	—
Currency translation gains recognised directly in OCI	—	—	3	2	5	—	1	2	3
Other	—	5	—	—	5	—	—	—	—
At 31 March	139	26	(29)	(13)	123	67	(27)	(17)	23

Notes to the Group financial statements
continued

32. Fair value methodology

Information in respect of the carrying amounts and 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 methodology falling within Level 1 of the IFRS 13 fair value hierarchy
- the fair values of long-term variable rate bank loans and 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.

33. Contractual undiscounted future cash flows for financial liabilities

At 31 March 2020	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	583	1,372	249	88	573	2,047	4,912
Net settled derivative financial instruments – interest rate swaps	11	11	11	9	6	6	54
Gross settled derivative financial instruments:							
Outflows for derivative contracts	207	9	9	9	400	—	634
Inflows for derivative contracts	(199)	(8)	(8)	(8)	(380)	—	(603)
Gross settled derivative financial instruments	8	1	1	1	20	—	31
Options in respect of non-controlling interests	13	—	—	—	—	—	13
Trade and other payables	538	30	—	—	1	3	572
Cash outflows	**1,153**	**1,414**	**261**	**98**	**600**	**2,056**	**5,582**

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

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$85m (2019: US$163m).

34. Share incentive plans

(a) Cost of share-based compensation

	2020 US$m	2019 US$m
Share awards	**78**	82
Share options	**5**	5
Expense recognised (all equity-settled)	**83**	87
Charge for associated social security obligations	**5**	2
Total expense recognised in the Group income statement	**88**	89

The Group has a number of equity-settled, share-based employee incentive plans. Further information on share award arrangements is given in note 34(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.

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 for the awards made in years ended 31 March 2018 and 31 March 2019. The profit condition for awards made in the year ended 31 March 2020 requires adjusted Benchmark EPS growth at the stated percentages over a three-year period. The cumulative Benchmark operating cash flow performance condition (the 'Cash flow condition') is based on cumulative Benchmark operating cash flow over a three-year period. The period of assessment commences at the beginning of the financial year of grant. These are not market-based performance conditions as defined by IFRS 2.

PSP

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

The TSR performance condition is considered a market-based performance condition as defined by IFRS 2. In valuing the awarded shares, TSR is evaluated using a Monte Carlo simulation, with historic volatilities and correlations for comparator companies measured over the three-year period preceding valuation and an implied volatility for Experian plc ordinary shares.

Notes to the Group financial statements
continued

34. Share incentive plans continued

(b) Share awards continued

Year ended	31 March 2020		31 March 2019		31 March 2018	
	CIP	**PSP**	CIP	PSP	CIP	PSP
Profit condition:						
Measure	**Adjusted Benchmark EPS**	**Adjusted Benchmark EPS**	Benchmark PBT per share	Benchmark PBT per share	Benchmark PBT per share	Benchmark PBT per share
Proportion of awards subject to condition	**50%**	**50%**	50%	75%	50%	75%
Minimum payout requirement	**5% per annum**	**5% per annum**	5% per annum	5% per annum	—	—
Target payout requirement	**6% per annum**	**6% per annum**	6% per annum	6% per annum	4% per annum	4% per annum
Maximum payout requirement	**9% per annum**	**9% per annum**	9% per annum	9% per annum	8% per annum	8% per annum
Assumed outcome at grant date	**66.7%**	**66.7%**	66.7%	66.7%	87.5%	81.3%
Cash flow condition:						
Proportion of awards subject to condition	**50%**	**—**	50%	—	50%	—
Minimum payout requirement	**US$3.7bn**	**—**	—	—	—	—
Target payout requirement	**US$3.8bn**	**—**	US$3.7bn	—	US$3.6bn	—
Maximum payout requirement	**US$4.1bn**	**—**	US$4.1bn	—	US$4.0bn	—
Assumed outcome at grant date	**77.2%**	**—**	66.4%	—	75.6%	—
ROCE condition:						
Proportion of awards subject to condition	**—**	**25%**	—	—	—	—
Minimum payout requirement	**—**	**14.5% per annum**	—	—	—	—
Target payout requirement	**—**	**15.4% per annum**	—	—	—	—
Maximum payout requirement	**—**	**16.0% per annum**	—	—	—	—
Assumed outcome at grant date	**—**	**75.0%**	—	—	—	—
TSR condition:						
Proportion of awards subject to condition	**—**	**25%**	—	25%	—	25%
Assumed outcome at grant date	**—**	**61.8%**	—	27.8%	—	27.8%

(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 2020 had a weighted average fair value per share of £23.45 (2019: £17.86).

(iii) Share awards outstanding

	2020 million	2019 million
At 1 April	**13.7**	13.9
Grants	**4.3**	4.0
Forfeitures	**(0.7)**	(0.5)
Lapse of awards	**(0.3)**	(0.1)
Vesting	**(4.8)**	(3.6)
At 31 March	**12.2**	13.7
Analysis by plan:		
CIP	**4.2**	4.7
PSP – conditional awards	**3.4**	3.9
PSP – unconditional awards	**4.6**	5.1
At 31 March	**12.2**	13.7

35. 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 36.

(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 2020, there were 110 (2019: 128) active members of this plan, 1,363 (2019: 1,416) deferred members and 2,596 (2019: 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 2020, there were 3,128 active members of this plan (2019: 3,231).

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 2019 by independent qualified actuaries Mercer Limited, using the projected unit credit method. The 2019 actuarial valuation has been agreed and there was a small funding surplus. The next full valuation will be carried out as at 31 March 2022.

Employees in the USA, Brazil and South Africa have the option to join local defined contribution plans and, as at 31 March 2020, there were 4,368 (2019: 4,375) active members in the USA, 1,256 (2019: 1,152) in Brazil and 556 (2019: 250) in South Africa. 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 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 31(a)).

(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.

Notes to the Group financial statements
continued

36. Post-employment benefits – IAS 19 information

(a) Post-employment benefit amounts recognised in the Group financial statements

(i) Balance sheet assets/(obligations)

	2020 US$m	2019 US$m
Retirement benefit assets/(obligations) – funded defined benefit plans:		
Fair value of funded plans' assets	1,023	1,122
Present value of funded plans' obligations	(940)	(1,061)
Assets in the Group balance sheet for funded defined benefit pensions	83	61
Obligations for unfunded post-employment benefits:		
Present value of defined benefit pensions – unfunded plans	(44)	(50)
Present value of post-employment medical benefits	(4)	(5)
Liabilities in the Group balance sheet	(48)	(55)
Net post-employment benefit assets	**35**	**6**

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

	2020 US$m	2019 US$m
By nature of expense:		
Current service cost	6	5
Past service cost	—	4
Administration expenses	2	2
Charge within labour costs and operating profit	**8**	**11**

The income statement charge and the remeasurement recognised in the Statement of comprehensive income relate to defined benefit plans. The past service cost incurred in the year ended 31 March 2019 was in respect of Guaranteed Minimum Pension equalisation.

(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 2019	1,122	(1,061)	(50)	(5)	(1,116)	6
Income statement (charge)/credit:						
Current service cost	—	(6)	—	—	(6)	(6)
Administration expenses	—	(2)	—	—	(2)	(2)
Interest income/(expense)	25	(23)	(2)	—	(25)	—
Total (charge)/credit to the Group income statement	25	(31)	(2)	—	(33)	(8)
Remeasurements:						
Return on plan assets other than interest	(33)	—	—	—	—	(33)
(Losses)/gains from change in demographic assumptions	—	(13)	1	—	(12)	(12)
Gains from change in financial assumptions	—	56	2	—	58	58
Experience gains	—	12	1	—	13	13
Remeasurement of post-employment benefit assets and obligations	(33)	55	4	—	59	26
Differences on exchange	(55)	52	2	—	54	(1)
Contributions paid by the Group and employees	13	(1)	—	—	(1)	12
Benefits paid	(49)	46	2	1	49	—
At 31 March 2020	**1,023**	**(940)**	**(44)**	**(4)**	**(988)**	**35**

36. Post-employment benefits – IAS 19 information continued

(b) Movements in net post-employment benefit assets/(obligations) recognised in the Group balance sheet continued

		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/(losses)	—	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

(c) Actuarial assumptions and sensitivities

The accounting valuations at 31 March 2020 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 2020 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 2020. 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

	2020 %	2019 %
Discount rate	**2.2**	2.3
Inflation rate – based on the UK Retail Prices Index (the RPI)	**2.6**	3.2
Inflation rate – based on the UK Consumer Prices Index (the CPI)	**1.8**	2.2
Increase in salaries	**2.1**	3.7
Increase for pensions in payment – element based on the RPI (where cap is 5%)	**2.5**	3.0
Increase for pensions in payment – element based on the CPI (where cap is 2.5%)	**1.5**	1.7
Increase for pensions in payment – element based on the CPI (where cap is 3%)	**1.7**	1.9
Increase for pensions in deferment	**1.8**	2.2
Inflation in medical costs	**5.6**	6.2

The principal financial assumption is the real discount rate, which is the excess of the discount rate over the rate of inflation. The discount rate is based on the market yields on high-quality corporate bonds of a currency and term appropriate to the defined benefit obligations. In the case of the Experian Pension Scheme, the obligations are in pounds sterling and have a maturity on average of 17 years. If the real discount rate increased/decreased by 0.1%, the defined benefit obligations at 31 March 2020 would decrease/increase by approximately US$16m and the annual current service cost would decrease/increase by US$0.5m.

The rates of increase for pensions in payment reflect the separate arrangements applying to different groups of Experian's pensioners.

Notes to the Group financial statements
continued

36. Post-employment benefits – IAS 19 information continued

(c) Actuarial assumptions and sensitivities continued

(ii) Mortality assumptions – average life expectancy on retirement at age 65 in normal health

	2020 years	2019 years
For a male currently aged 65	22.5	22.3
For a female currently aged 65	24.3	24.5
For a male currently aged 50	23.3	23.2
For a female currently aged 50	25.4	25.6

The accounting valuation assumes that mortality will be in line with standard tables adjusted to reflect the expected experience of the Experian Pension Scheme membership, based on analysis carried out for the 2019 actuarial valuation. A specific allowance for anticipated future improvements in life expectancy is also incorporated. An increase in assumed life expectancy of 0.1 years would increase the defined benefit obligations at 31 March 2020 by approximately US$6m and the annual current service cost would increase by US$0.1m.

(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 2020 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 2020 by approximately US$1m, and the annual current service cost would increase by US$0.1m.

(d) Assets of the Group's defined benefit plans at fair value

	2020		2019	
	US$m	%	US$m	%
UK equities	6	1	10	1
Overseas equities	175	17	253	22
Index-linked gilts	362	35	365	33
Global corporate bonds	318	31	336	30
Secured credit	105	10	115	10
Other unlisted	37	4	17	2
Other	20	2	26	2
	1,023	100	1,122	100

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

The Trustee has adopted funding-based triggers to implement further de-risking of the investment strategy as conditions allow. These triggers will be kept under review. Over time, the Scheme is expected to increase its allocation to liability matching assets, to provide cash flows to match expected benefit payments.

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 additional contributions of US$4m per annum over five years from 1 April 2017. The employer has agreed to continue to pay these contributions in FY21 and FY22 notwithstanding the small surplus recognised following the 2019 full actuarial valuation. Contributions, including additional contributions, currently expected to be paid to this plan during the year ending 31 March 2021 are US$7m by the Group and US$1m by employees.

37. Deferred and current tax

(a) Deferred tax

(i) Net deferred tax assets/(liabilities)

	2020 US$m	2019 US$m
At 1 April	15	(22)
Differences on exchange	2	(8)
Tax (charge)/credit in the Group income statement (note 17(a))	(51)	42
Additions through business combinations	(52)	—
Tax recognised within OCI	(5)	(1)
Tax recognised directly in equity on transactions with owners	(4)	5
Transfers	—	(1)
At 31 March	(95)	15
Presented in the Group balance sheet as:		
Deferred tax assets	107	147
Deferred tax liabilities	(202)	(132)
	(95)	15

Tax recognised in Other comprehensive income is in respect of the remeasurement of post-employment benefit assets and obligations.

(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 2019	327	96	40	11	270	744
Differences on exchange	(81)	(2)	1	—	(10)	(92)
Tax recognised in the Group income statement	(1)	(1)	(2)	(1)	(41)	(46)
Tax recognised within OCI	—	—	—	—	(5)	(5)
Tax recognised directly in equity on transactions with owners	—	—	(4)	—	—	(4)
Additions through business combinations	—	—	—	—	3	3
Transfers	1	1	—	—	(2)	—
At 31 March 2020	246	94	35	10	215	600

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	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 OCI	—	—	—	—	(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

Notes to the Group financial statements
continued

37. Deferred and current tax continued

(a) Deferred tax continued

(ii) Movements in gross deferred tax assets and liabilities (continued)

Liabilities	Intangibles US$m	Accelerated depreciation US$m	Other US$m	Total US$m
At 1 April 2019	699	19	11	729
Differences on exchange	(92)	—	(2)	(94)
Tax recognised in the Group income statement	(7)	5	7	5
Additions through business combinations	51	—	4	55
Transfers	(1)	—	1	—
At 31 March 2020	650	24	21	695

Liabilities	Intangibles US$m	Accelerated depreciation US$m	Other US$m	Total US$m
At 1 April 2018	703	27	(19)	711
Differences on exchange	(56)	—	—	(56)
Tax recognised in the Group income statement	41	(5)	3	39
Transfers	11	(3)	27	35
At 31 March 2019	699	19	11	729

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.

(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$480m (2019: US$416m) that could be utilised against future taxable income or on US$331m (2019: US$350m) 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 investments are available for use within five years, and future taxable gains against which the capital losses could be utilised are not currently anticipated.

There are retained earnings of US$8,933m (2019: US$8,924m) 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% (2019: 19%).

(b) Net current tax assets/(liabilities)

	2020 US$m	2019 US$m
At 1 April	(286)	(251)
Differences on exchange	7	—
Tax charge in the Group income statement (note 17(a))	(212)	(298)
Additions through business combinations	(1)	—
Tax recognised directly in equity on transactions with owners	9	3
Tax paid on profit on disposal of subsidiaries	—	18
Other tax paid	286	233
Transfers	—	9
At 31 March	(197)	(286)
Presented in the Group balance sheet as:		
Current tax assets	28	27
Current tax liabilities	(225)	(313)
	(197)	(286)

Tax recognised directly in equity on transactions with owners relates to employee share incentive plans.

38. Provisions

	2020				2019			
	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	5	12	24	41	22	22	26	70
Differences on exchange	—	—	(7)	(7)	—	—	(4)	(4)
Amount charged in the year	30	—	6	36	—	—	9	9
Utilised	(5)	(12)	(5)	(22)	(17)	(10)	(7)	(34)
At 31 March	30	—	18	48	5	12	24	41

Legal claims represent a number of related legal claims arising in North America.

The North America security incident costs were covered by insurance, with the amounts provided and utilised offset by movements in an insurance receivable recognised within Trade and other receivables. Details of the contingent liabilities are given in note 45(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.

39. Called-up share capital and share premium account

At 31 March 2020, there were 968.7m shares in issue (2019: 971.5m). During the year ended 31 March 2020, 0.9m (2019: 0.9m) shares were issued and 3.6m (2019: 9.5m) shares were cancelled. Further information on share capital is contained in note P 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.

40. 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 2019	(15,682)	11	(1,055)	(1,167)	(17,893)
Purchase of shares by employee trusts	—	—	—	(92)	(92)
Other vesting of awards and exercises of share options	—	—	—	76	76
Currency translation losses	—	—	(312)	—	(312)
At 31 March 2020	(15,682)	11	(1,367)	(1,183)	(18,221)

	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)
Other vesting of awards and exercises of share options	—	—	—	60	60
Currency translation losses	—	—	(178)	—	(178)
At 31 March 2019	(15,682)	11	(1,055)	(1,167)	(17,893)

Notes to the Group financial statements
continued

40. Retained earnings and other reserves continued

(b) Other reserves continued

(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 2020 comprises currency translation losses of US$312m (2019: US$178m) 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 40(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.

(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 2019	**61**	**9**	**70**	**985**	**182**	**1,167**
Purchase of shares by employee trusts	**—**	**3**	**3**	**—**	**92**	**92**
Other vesting of awards and exercises of share options	**(1)**	**(4)**	**(5)**	**(12)**	**(64)**	**(76)**
At 31 March 2020	**60**	**8**	**68**	**973**	**210**	**1,183**

	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
Other vesting of awards and exercises of share options	(1)	(3)	(4)	(7)	(53)	(60)
At 31 March 2019	61	9	70	985	182	1,167

41. Notes to the Group cash flow statement

(a) Cash generated from operations

	Notes	**2020 US$m**	2019 US$m
Profit before tax		**942**	957
Share of post-tax profit of associates		**(14)**	(3)
Net finance costs		**257**	208
Operating profit		**1,185**	1,162
Profit on disposal of fixed assets		**(1)**	(5)
Profit on disposal of businesses		**—**	(5)
Amortisation and depreciation	13	**537**	437
Charge in respect of share incentive plans	34(a)	**83**	87
Increase in working capital	41(b)	**(112)**	(26)
Acquisition expenses – difference between income statement charge and amount paid		**6**	(2)
Fair value gain on revaluation of step acquisition		**(17)**	—
Adjustment to the fair value of contingent consideration		**(4)**	16
Movement in Exceptional items included in working capital		**17**	(25)
Cash generated from operations		**1,694**	1,639

Depreciation and amortisation includes amortisation of acquisition intangibles of US$124m (2019: US$111m) which is excluded from Benchmark PBT.

41. Notes to the Group cash flow statement continued

(b) Increase in working capital

	2020 US$m	2019 US$m
Trade and other receivables	(145)	(65)
Trade and other payables	33	39
Increase in working capital	**(112)**	(26)

(c) Purchase of other intangible assets

	2020 US$m	2019 US$m
Databases	175	171
Internally generated software	189	156
Internal use software	39	21
Purchase of other intangible assets	**403**	348

(d) Cash flows on acquisitions (non-GAAP measure)

	2020 US$m	2019 US$m
Purchase of subsidiaries (note 42(a))	601	56
Less: net cash acquired with subsidiaries	(26)	—
Settlement of deferred and contingent consideration	25	16
As reported in the Group cash flow statement	600	72
Acquisition expenses paid	33	26
Transactions in respect of non-controlling interests	67	(3)
Cash outflow for acquisitions (non-GAAP measure)	**700**	95

(e) Cash outflow in respect of net share purchases (non-GAAP measure)

	2020 US$m	2019 US$m
Issue of ordinary shares	(15)	(13)
Purchase of shares by employee trusts	92	—
Purchase and cancellation of own shares	111	228
Cash outflow in respect of net share purchases (non-GAAP measure)	**188**	215
As reported in the Group cash flow statement:		
Cash inflow in respect of shares issued	(15)	(13)
Cash outflow in respect of share purchases	203	228
Cash outflow in respect of net share purchases (non-GAAP measure)	**188**	215

(f) Analysis of cash and cash equivalents

	2020 US$m	2019 US$m
Cash and cash equivalents in the Group balance sheet	277	149
Bank overdrafts	(5)	(3)
Cash and cash equivalents in the Group cash flow statement	**272**	146

Notes to the Group financial statements
continued

41. Notes to the Group cash flow statement continued

(g) Reconciliation of Cash generated from operations to Benchmark operating cash flow (non-GAAP measure)

	Notes	2020 US$m	2019 US$m
Cash generated from operations	41(a)	**1,694**	1,639
Purchase of other intangible assets	41(c)	**(403)**	(348)
Purchase of property, plant and equipment		**(84)**	(91)
Sale of property, plant and equipment		**5**	13
Payment of lease liabilities		**(55)**	—
Acquisition expenses paid		**33**	26
Dividends received from associates		**6**	6
Cash flows in respect of Exceptional and other non-benchmark items		**18**	25
Benchmark operating cash flow (non-GAAP measure)		**1,214**	1,270

Benchmark free cash flow for the year ended 31 March 2020, as set out in the Financial review within the Strategic report, was US$774m (2019: US$907m). Cash flow conversion for the year ended 31 March 2020 was 88% (2019: 97%).

42. Acquisitions

(a) Acquisitions in the year

The Group made eight acquisitions during the year ended 31 March 2020, including the acquisition of the whole of the issued share capital of Compuscan (CSH Group (Pty) Limited) which completed on 30 April 2019. Compuscan is a leading provider of credit information and decision analytics in South Africa, with operations across seven key geographies in sub-Saharan Africa. In addition, on 8 November 2019 the Group acquired the whole of the issued share capital of Auto I.D., Inc. (Auto ID) a leading provider of solutions and services to automotive lenders in the USA. Provisional goodwill of US$471m was recognised based on the fair value of the net assets acquired of US$178m.

Net assets acquired, goodwill and acquisition consideration are analysed below.

	Compuscan US$m	Auto ID US$m	Other US$m	Total US$m
Intangible assets:				
Customer and other relationships	53	49	42	144
Software development	22	14	26	62
Marketing-related acquisition intangibles	—	1	3	4
Other non-acquisition intangibles	—	—	5	5
Intangible assets	75	64	76	215
Property, plant and equipment	3	—	1	4
Trade and other receivables	8	—	5	13
Current tax assets	—	2	—	2
Deferred tax assets	—	—	3	3
Cash and cash equivalents (note 41(d))	7	13	6	26
Trade and other payables	(8)	(5)	(14)	(27)
Current tax liabilities	(3)	—	—	(3)
Deferred tax liabilities	(20)	(17)	(18)	(55)
Total identifiable net assets	62	57	59	178
Goodwill	206	131	134	471
Total	268	188	193	649
Satisfied by:				
Cash (note 41(d))	268	188	145	601
Fair value of existing interest in associate	—	—	19	19
Contingent consideration	—	—	29	29
Total	268	188	193	649

These provisional fair values contain amounts which will be finalised no later than one year after the date of acquisition. Provisional amounts have been included at 31 March 2020 as a consequence of the timing and complexity of the acquisitions. Goodwill represents the synergies, assembled workforces and future growth potential of the businesses. None of the goodwill arising in the year of US$471m is currently deductible for tax purposes.

There have been no other material gains, losses, error corrections or other adjustments recognised in the year ended 31 March 2020 that relate to acquisitions in the current or earlier years.

42. Acquisitions continued

(b) Additional information

(i) Current year acquisitions

	Compuscan US$m	Auto ID US$m	Other US$m	Total US$m
Increase in book value from fair value adjustments:				
Intangible assets	75	64	71	210
Trade and other payables	(3)	(1)	—	(4)
Deferred tax assets	—	—	3	3
Deferred tax liabilities	(20)	(17)	(18)	(55)
Increase in book value from fair value adjustments	52	46	56	154
Gross contractual amounts receivable in respect of trade and other receivables	7	—	3	10
Pro-forma revenue from 1 April 2019 to date of acquisition	3	9	14	26
Revenue from date of acquisition to 31 March 2020	33	6	17	56
Profit before tax from date of acquisition to 31 March 2020	12	3	1	16

At the dates of acquisition, the gross contractual amounts receivable in respect of trade and other receivables of US$10m were expected to be collected in full.

If the transactions had occurred on the first day of the financial year, the estimated additional contribution to Group revenues would have been US$26m and the profit before tax would have been US$7m.

(ii) Prior year acquisitions
Deferred consideration of US$25m (2019: US$16m) was settled in the year in respect of acquisitions made in earlier years. These cash flows principally relate to the acquisitions of Clarity Services, Inc. and Runpath Group Limited acquired in the year ended 31 March 2018.

The Group made one acquisition in the year ended 31 March 2019 and a cash outflow of US$72m was reported in the Group cash flow statement for that year.

(iii) Post balance sheet acquisition
On 8 April 2020, the Group agreed to acquire a majority stake in the Risk Management division of Arvato Financial Solutions (AFS). On completion, the consideration will be satisfied by the issue of 7.2m Experian plc shares, c. €185m (c.US$200m) at the date of signing. The AFS Risk Management division is being carved out of the Bertelsmann Group and is one of the leading credit bureaux in Germany, operating also in Austria.

The AFS Risk Management division's business is closely allied with our activities in consumer information services. The transaction is expected to complete during the year ending 31 March 2021, subject to regulatory approval.

43. Disposals

There were no disposals during the year ended 31 March 2020.

In 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, and a profit on disposal of US$5m was recognised in that year.

Notes to the Group financial statements
continued

44. Commitments

(a) Operating lease commitments

	2019 US$m
Commitments under non-cancellable operating leases were payable:	
In less than one year	55
Between one and five years	151
In more than five years	48
	254

The Group leases land and buildings, motor vehicles and plant and equipment under non-cancellable lease agreements with varying terms, escalation clauses and renewal rights. In the year ended 31 March 2019, these leases were classified as operating leases under IAS 17 and the charge for that year was US$56m. From 1 April 2019, the Group has recognised lease obligations in respect of these agreements, with further information provided in notes 3 and 30.

(b) Capital commitments

	2020 US$m	2019 US$m
Capital expenditure for which contracts have been placed:		
Intangible assets	2	7
Property, plant and equipment	23	12
	25	19

Capital commitments at 31 March 2020 include US$7m in respect of right-of-use assets, and all amounts are expected to be incurred before 31 March 2021. Commitments as at 31 March 2019 included US$3m not then expected to be incurred before 31 March 2020.

45. 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) Latin America 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. The Brazilian courts have ultimately upheld Experian's position in respect of the tax years from 2007 to 2011 with no further right of appeal. The Brazilian tax authorities have raised similar assessments in respect of the 2012 to 2014 tax years, in which approximately US$77m was claimed, and may raise similar claims in respect of other years. The possibility of this resulting in a liability to the Group is considered to be remote, on the basis of the advice of external legal counsel, success in cases to date and other factors in respect of the claim.

We note that a similar challenge has been raised in Colombia in respect of the 2014 and 2016 tax years, in which approximately US$5m was claimed, and similar claims in respect of other years may be raised. We are contesting these on the basis of external legal advice.

(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 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 FY21. At this stage we do not know what the final outcome will be, but it may include an enforcement notice which, if unchallenged, could require significant changes to business processes in our UK marketing services business. Experian will have the right to appeal any such enforcement notice, during which time all requirements would be stayed.

The UK marketing services business represents approximately 1.4% 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.

46. Related party transactions

(a) Related undertakings

A full list of the Company's related undertakings, including subsidiary and associate undertakings, is given in note S to the Company financial statements. There are no significant non-controlling interests.

(b) Transactions with associates

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 Year ended 31 March		Balance owed to Experian At 31 March	
	2020 US$m	2019 US$m	**2020 US$m**	2019 US$m
Promissory note and accrued interest	**7**	7	**94**	87
Transaction processing fees	**—**	2	**—**	—
Net amounts collected/(settled) and receivable/(payable)	**—**	(6)	**2**	(1)

The promissory note is due and payable to Experian on 31 May 2024 with interest also payable on this date. During the years ended 31 March 2020 and 31 March 2019, we continued to process transactions on behalf of Vector. We do not receive any margin on individual transactions. Details of amounts arising in respect of these transactions are shown in the table below.

	Transaction amount Year ended 31 March		Balance owed to Vector At 31 March	
	2020 US$m	2019 US$m	**2020 US$m**	2019 US$m
Cash received on behalf of Vector	**2**	28	**—**	1

	Transaction amount Year ended 31 March		Balance owed to Experian At 31 March	
	2020 US$m	2019 US$m	**2020 US$m**	2019 US$m
Cash paid on behalf of Vector	**2**	22	**2**	—

Transactions with associates are made on normal market terms and in the year ended 31 March 2020 comprised the provision and receipt of services to other associates of US$1m (2019: US$6m) and US$9m (2019: US$8m) respectively. At 31 March 2020, amounts owed by associates, other than Vector, were US$nil (2019: US$nil) and amounts due to associates, other than Vector, totalled US$1m (2019: US$nil).

(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, Brazil and South Africa, and the provision of medical cover in the UK. These undertakings are listed in note S(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 2020, US$57m (2019: US$53m) was paid by the Group to related undertakings, in connection with the provision of post-employment pensions benefits in the UK, the USA, Brazil and South Africa and US$3m (2019: 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.

Notes to the Group financial statements
continued

46. Related party transactions continued

(d) Remuneration of key management personnel

	2020 US$m	2019 US$m
Salaries and short-term employee benefits	**10**	11
Share incentive plans	**11**	12
Pension payments	**1**	1
	22	24

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.

47. 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.

On 7 April 2020, Experian Finance plc, a subsidiary undertaking, issued £400m 3.25% bonds due 2032, under the terms of its Euro Medium Term Note Programme, which is guaranteed by Experian plc. The bond issue extends the maturity of the Group's debt portfolio and diversifies its funding sources.

On 8 April 2020, the Group agreed to acquire a majority stake in the Risk Management division of Arvato Financial Solutions (AFS). Further details are provided in note 42(b)(iii).

Company profit and loss account

for the year ended 31 March 2020

	Notes	2020 US$m	2019 US$m
Other operating income	F	79.2	62.9
Staff costs	G	(3.8)	(3.8)
Depreciation	M	(0.2)	—
Other operating expenses	F	(91.3)	(87.6)
Operating loss		(16.1)	(28.5)
Interest receivable and similar income	H	82.9	86.8
Interest payable and similar expenses	I	(0.2)	—
Dividend income from subsidiary undertakings	L	197.1	5,222.0
Profit before tax		263.7	5,280.3
Tax on profit	J	(16.5)	(13.6)
Profit after tax and for the financial year		247.2	5,266.7

Company statement of comprehensive income

for the year ended 31 March 2020

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 2020

	Notes	2020 US$m	2019 US$m
Fixed assets			
Investments – shares in Group undertakings	L	17,413.2	5,301.3
Right-of-use assets	M	3.0	—
Deferred tax assets	J	36.4	52.9
		17,452.6	5,354.2
Current assets			
Debtors – amounts falling due within one year	N	1,728.7	15,073.5
Cash at bank and in hand		0.3	—
Current liabilities			
Creditors – amounts falling due within one year	O	(1.4)	(1,369.2)
Net current assets		1,727.6	13,704.3
Total assets less current liabilities		19,180.2	19,058.5
Creditors – amounts falling due after more than one year	O	(2.9)	—
Net assets		19,177.3	19,058.5
Equity			
Called-up share capital	P	72.9	73.1
Share premium account	P	1,243.6	1,229.1
Profit and loss account reserve	Q	17,860.8	17,756.3
Total shareholders' funds		19,177.3	19,058.5

These financial statements were approved by the Board on 19 May 2020 and were signed on its behalf by:

Kerry Williams
Director

Company statement of changes in total equity

for the year ended 31 March 2020

	Called-up share capital (Note P) US$m	Share premium account (Note P) US$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 Q) US$m	Total equity US$m
At 1 April 2019	**73.1**	**1,229.1**	**18,892.8**	**(1,136.5)**	**17,756.3**	**19,058.5**
Profit and Total comprehensive income for the financial year	**—**	**—**	**247.2**	**—**	**247.2**	**247.2**
Transactions with owners:						
Employee share incentive plans:						
– value of employee services	**—**	**—**	**83.0**	**—**	**83.0**	**83.0**
– shares issued on vesting	**0.1**	**14.5**	**—**	**—**	**—**	**14.6**
– purchase of shares by employee trusts	**—**	**—**	**—**	**(91.5)**	**(91.5)**	**(91.5)**
– other vesting of awards and exercises of share options	**—**	**—**	**(76.7)**	**76.4**	**(0.3)**	**(0.3)**
Purchase and cancellation of own shares	**(0.3)**	**—**	**(111.9)**	**—**	**(111.9)**	**(112.2)**
Dividends paid	**—**	**—**	**(22.0)**	**—**	**(22.0)**	**(22.0)**
Transactions with owners	**(0.2)**	**14.5**	**(127.6)**	**(15.1)**	**(142.7)**	**(128.4)**
At 31 March 2020	**72.9**	**1,243.6**	**19,012.4**	**(1,151.6)**	**17,860.8**	**19,177.3**

	Called-up share capital (Note P) US$m	Share premium account (Note P) US$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 Q) 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 vesting of awards and exercises of share 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

Notes to the Company financial statements

for the year ended 31 March 2020

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 2020 in accordance with FRS 101 'Reduced Disclosure Framework'. The Company intends to continue to use this accounting framework until further notice.

Going concern

In adopting the going concern basis for preparing these financial statements, the directors have considered the business activities, the principal risks and uncertainties and the other matters that could threaten the long-term financial stability of the Company. This includes the modelling of the most significant 'plausible but severe' test of a significant data breach within the Group, in addition to a cautious scenario covering potential financial impacts arising from the COVID-19 pandemic.

The directors believe that the Company is well placed to manage its financing and other business risks satisfactorily, and have a reasonable expectation that the Company will have adequate resources to continue in operational existence. The directors therefore consider it appropriate to adopt the going concern basis of accounting in preparing the Company financial statements.

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'.
- Paragraphs 30 and 31 of IAS 8 'Accounting policies, changes in accounting estimates and errors', exempting the Company from disclosing information where it has not applied a new IFRS which has been issued but is not yet effective.
- Paragraph 17 of IAS 24 'Related Party Disclosures', exempting the Company from disclosing details of key management compensation.
- 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 E.

D. Significant accounting policies

The significant accounting policies applied are summarised below. The explanations of these policies focus on areas where judgment is applied or which are particularly important in the financial statements.

Accounting standard IFRS 16 'Leases' was effective for the first time in the year ended 31 March 2020 (see note M). The Company initially applied IFRS 16 using the modified retrospective approach which allows the matching of the opening right-of-use assets with the opening lease liabilities. Under this approach, no restatement of comparative information is required. A right-of-use asset and corresponding lease obligation of US$3.2m were recognised on 1 April 2019 on the adoption of IFRS 16. The weighted average incremental borrowing rate applied to the lease liability on initial recognition at 1 April 2019 was 5%.

There are no other new standards, amendments to existing standards or interpretations that are effective for the year ended 31 March 2020 that have had a material impact on the Company's financial statements.

Other than the adoption of IFRS 16, accounting policies have been consistently applied to both years presented. Content from accounting standards, amendments and interpretations is excluded where there is simply no policy choice under UK accounting standards.

(i) Foreign currency

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.

Notes to the Company financial statements
continued

D. Significant accounting policies continued

(ii) Investments – shares in Group undertakings
Investments in Group undertakings are stated at cost less any provisions for impairment. 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.

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

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

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

Subsequently, right-of-use assets are measured at cost less accumulated depreciation and impairment losses and are adjusted for any remeasurement of the lease liability. Depreciation is calculated on a straight-line basis over the lower of the estimated useful life of the right-of-use asset and the period of the lease.

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

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

The lease liability is remeasured when there is a change in future lease payments arising from a change in an index or rate, or if the Company changes its assessment of whether it will exercise an extension or termination option.

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

(vii) 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.

(viii) 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.

(ix) 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.

(x) 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. 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.

F. 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 and guarantees provided during the year. Other operating expenses include a fee of US$0.1m (2019: US$0.1m) payable to the Company's auditor and its associates for the audit of the Company financial statements.

G. Staff costs

	2020 US$m	2019 US$m
Directors' fees	2.3	2.4
Wages and salaries	1.3	1.1
Social security costs	0.1	0.1
Other pension costs	0.1	0.2
	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.

H. Interest receivable and similar income

	2020 US$m	2019 US$m
Interest receivable on amounts owed by subsidiary undertakings	81.8	83.3
Foreign exchange gains	1.1	3.5
	82.9	86.8

I. Interest payable and similar expenses

	2020 US$m	2019 US$m
Interest payable on lease obligations	0.2	—

Notes to the Company financial statements
continued

J. Tax on profit

(a) Analysis of tax charge in the profit and loss account

	2020 US$m	2019 US$m
Current tax:		
Irish corporation tax charge on profit for the financial year	—	—
Deferred tax:		
Origination and reversal of timing differences	16.5	13.7
Adjustment in respect of prior years	—	(0.1)
Total deferred tax charge for the financial year	16.5	13.6
Tax charge for the year	**16.5**	13.6

(b) Factors affecting the tax charge for the financial year

The tax charge for the year is at a rate lower than the main rate of Irish corporation tax of 25% (2019: 25%) with the difference explained below.

	2020 US$m	2019 US$m
Profit before tax	263.7	5,280.3
Profit before tax multiplied by the applicable rate of tax	65.9	1,320.1
Effects of:		
Income not taxable	(50.2)	(1,307.0)
Expenses not deductible	0.8	0.6
Adjustment in respect of prior years	—	(0.1)
Tax charge for the year	**16.5**	13.6

The Company's tax charge 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:

	2020 US$m	2019 US$m
At 1 April	52.9	66.5
Tax charge in the profit and loss account	(16.5)	(13.6)
At 31 March	**36.4**	52.9

The Company has no unrecognised deferred tax (2019: US$nil).

K. Dividends

Total gross dividends of US$424.2m (2019: US$410.4m) were paid to Experian shareholders during the year. The Company paid interim dividends of US$22.0m (2019: US$19.4m) to those shareholders who did not elect to receive dividends under the Income Access Share arrangements. The balance of US$402.2m (2019: US$391.0m) 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 2020, the distributable reserves of EUKFL as determined under UK company law are US$13,551.8m (2019: US$7,536.3m).

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 2020. 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	2020 US$m	2019 US$m
At 1 April	**5,301.3**	8,357.7
Additions – fair value of share incentives issued to Group employees	**83.0**	86.7
Additional investment in direct subsidiary undertakings	**13,299.8**	480.1
Return of capital from direct subsidiary undertakings	**(1,270.9)**	—
Liquidation of subsidiary investments through dividend distribution	**—**	(3,623.2)
At 31 March	**17,413.2**	5,301.3

During the year ended 31 March 2020 Experian plc undertook a number of transactions as a result of group restructuring, including:

- subscription for additional shares in existing subsidiary undertakings for US$13,299.8m; and
- receipt of dividends of US$1,468.0m. US$1,270.9m was recorded as a return of capital, with the remaining US$197.1m recorded as a dividend in the Company's profit and loss account in the year ended 31 March 2020.

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 was recorded as a dividend in the Company's profit and loss account in the year ended 31 March 2019.

A list of the Company's subsidiary undertakings is given in note S(i). The Company directly holds interests in the whole of the issued share capital of the following undertakings:

Company	Country of incorporation
Experian Holdings (UK) Limited	England and Wales
Experian Group Services Limited	Ireland
Experian Holdings Ireland Limited	Ireland
Experian Ireland Investments Limited	Ireland

M. Leases

The Company leases its offices. The original lease term is 25 years and includes periodic break options throughout the lease exercisable only by the Company and not the lessor.

(a) Amounts recognised in the Company balance sheet

	2020 US$m
Right-of-use assets:	
Recognition of asset on 1 April 2019 on adoption of IFRS 16	**3.2**
Depreciation charge for the year	**(0.2)**
Net book amount at 31 March 2020	**3.0**
Lease obligations:	
Current	**0.2**
Non-current	**2.9**
At 31 March	**3.1**

In the year ended 31 March 2019, the lease was classified as an operating lease under IAS 17 and consequently the Company did not recognise an asset or lease liability on its balance sheet. No material rentals were payable to the next break option date.

Notes to the Company financial statements
continued

M. Leases continued

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

	2020 US$m
Less than one year	0.3
One to two years	0.3
Two to three years	0.3
Three to four years	0.3
Four to five years	0.3
Over five years	2.4
Total undiscounted lease obligations at 31 March	3.9

(c) Amounts recognised in the Company profit and loss account

	2020 US$m
Depreciation charge for right-of-use assets	0.2
Interest expense	0.2
	0.4

(d) Lease cash flow
The total cash outflow for leases in the year ended 31 March 2020 was US$0.4m (2019: US$0.3m).

N. Debtors – amounts falling due within one year

	2020 US$m	2019 US$m
Amounts owed by Group undertakings	1,728.0	15,073.3
Other debtors	0.7	0.2
	1,728.7	15,073.5

Amounts owed by Group undertakings are primarily unsecured, interest bearing and repayable on demand.

O. Creditors

	Due within one year 2020 US$m	Due after more than one year 2020 US$m	Due within one year 2019 US$m
Amounts owed to Group undertakings	—	—	1,368.1
Lease obligations (note M)	0.2	2.9	—
Accruals	1.2	—	1.1
	1.4	2.9	1,369.2

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

P. Called-up share capital and share premium account

Allotted and fully paid	2020 US$m	2019 US$m
968,719,632 (2019: 971,477,557) ordinary shares of 10 US cents	72.9	73.1
20 (2019: 20) deferred shares of 10 US cents	—	—
	72.9	73.1

At 31 March 2020 and 31 March 2019, 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 2020, the Company issued 865,828 (2019: 869,691) ordinary shares for a consideration of US$14.6m (2019: US$13.3m). Issues of shares were made in connection with the Group's share incentive arrangements, details of which are given in note 34 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 2020, 3,623,753 (2019: 9,528,440) ordinary shares were cancelled after being purchased by the Company.

Q. 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 2019	61.5	8.6	70.1	984.6	151.9	1,136.5
Purchase of shares by employee trusts	—	3.0	3.0	—	91.5	91.5
Other vesting of awards and exercises of share options	(1.1)	(4.2)	(5.3)	(13.3)	(63.1)	(76.4)
At 31 March 2020	60.4	7.4	67.8	971.3	180.3	1,151.6

	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
Other vesting of awards and exercises of share 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

R. Contingencies

The Company has guaranteed:

- borrowings of Group undertakings of US$4,208m (2019: US$3,394m);
- 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 ended 31 March 2020, in the event that the Group undertakings fail to pay their contributions, is given in note 36(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.

Notes to the Company financial statements
continued

S. Related undertakings at 31 March 2020

(i) Subsidiary undertakings

Company	Country of incorporation
Experian Strategic Solutions SA	Argentina
Compuscan Australia (Pty) Ltd	Australia
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
Look Who's Charging Pty Ltd	Australia
Riverleen Finance Pty Ltd	Australia
Tallyman Australia Pty Limited	Australia
Experian Österreich GmbH	Austria
CSIT Botswana (Pty) Ltd	Botswana
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
Castlight Limited	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 (in voluntary liquidation)	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 (in voluntary liquidation)	England and Wales
Hugh Wyllie, Limited	England and Wales
International Communication & Data Limited	England and Wales
Masterlist Limited (in voluntary liquidation)	England and Wales
Motorfile Limited	England and Wales
QAS Limited (in voluntary liquidation)	England and Wales
Riverleen Finance Unlimited	England and Wales
Runpath Group Limited	England and Wales
Runpath Marketing Limited (in voluntary liquidation)	England and Wales
Runpath Pilot Limited	England and Wales
Runpath Regulated Services Limited	England and Wales
Runpath Support Limited (in voluntary liquidation)	England and Wales
Serasa Finance Limited	England and Wales
Tallyman Limited	England and Wales
Techlightenment Ltd	England and Wales

S. Related undertakings at 31 March 2020 continued

(i) Subsidiary undertakings continued

Company	Country of incorporation
The 41st Parameter, Ltd. (in voluntary liquidation)	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 (in voluntary liquidation)	England and Wales
Compuscan (Pty) Ltd	eSwatini/Swaziland
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 Group Services Limited	Ireland
Experian Holdings Ireland Limited	Ireland
Experian Ireland Investments Limited	Ireland
Experian Ireland Limited	Ireland
GUS Finance Ireland Unlimited Company	Ireland
GUS Investments 2003 Unlimited Company	Ireland
Experian Holding Italia S.r.l.	Italy
Experian Italia S.p.A.	Italy
Experian Japan Co., Ltd	Japan
MCI-Experian Co., Ltd	Republic of Korea
Compuscan Lesotho (Pty) Ltd	Lesotho
Experian Information Services (Malaysia) Sdn. Bhd.	Malaysia[8]
Experian (Malaysia) Sdn. Bhd.	Malaysia[9]
Experian Marketing Services (Malaysia) Sdn Bhd	Malaysia[9]
Ringgit Arajaya Sdn. Bhd.	Malaysia[10]
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
Sistema de informacao de credito S.A	Mozambique
Compuscan Credit Reference Bureau (Pty) Ltd	Namibia
Experian New Zealand Limited	New Zealand
Experian AS	Norway
Experian Gjeldsregister AS	Norway
Experian Perú S.A.C	Peru
Sentinel Holding S.A.	Peru[11]
Sentinel Peru S.A	Peru[11]
Compuscan Philippines, Inc	The Philippines
Experian Polska spółka z ograniczoną odpowiedzialnością	Poland
DP Management Pte Ltd	Singapore
ENROC Pte. Ltd.	Singapore
Experian Credit Bureau Singapore Pte. Ltd.	Singapore
Experian Credit Services Singapore Pte. Ltd.	Singapore
Experian Asia-Pacific Holdings Pte. Ltd.	Singapore

Company	Country of incorporation
Experian Singapore Pte. Ltd	Singapore
Compuscan Academy (Pty) Ltd	South Africa[13]
Compuscan Holdings International (Pty) Ltd	South Africa[13]
Compuscan Holdings South Africa (Pty) Ltd	South Africa[13]
Compuscan Information Technologies (Pty) Ltd	South Africa[13]
CSH Group (Pty) Ltd	South Africa[13]
Encentivize (Pty) Ltd	South Africa[12]
Encentivize Rewards (Pty) Ltd	South Africa[12]
Experian South Africa (Pty) Limited	South Africa[12]
Great Universal Stores (South Africa) (Pty) Ltd	South Africa[12]
PCubed Analytical Intelligence (Pty) Ltd	South Africa[12]
Prolinx (Pty) Ltd	South Africa[13]
Scoresharp (Pty) Ltd	South Africa[12]
Techtonic Information Technologies (Pty) Ltd	South Africa[13]
Experian Bureau de Crédito, S.A.	Spain[14]
Experian Colombian Investments, S.L.U.	Spain[14]
Experian España, S.L.U.	Spain[14]
Experian Holdings Espana, S.L.	Spain[14]
Experian Latam España Inversiones, S.L	Spain[15]
Rexburg Spain, S.L.U.	Spain[14]
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
Compuscan CRB Ltd	Uganda
Ground Up Limited	Uganda
Auto I.D., Inc.	USA[17]
ClarityBlue Inc	USA[16]
Clarity Services, Inc.	USA[17]
ConsumerInfo.com Inc	USA[19]
CSIdentity Corporation	USA[17]
CSIdentity Insurance Services, Inc.	USA[20]
Experian Background Data, Inc.	USA[17]
Experian Credit Advisors, Inc.	USA[17]
Experian Data Corp	USA[17]
Experian Fraud Prevention Solutions, Inc.	USA[17]
Experian Health, Inc.	USA[17]
Experian Holdings, Inc.	USA[17]
Experian Information Solutions Inc	USA[18]
Experian Marketing Solutions, LLC	USA[17]
Experian Reserved Response, Inc.	USA[17]
Experian Services Corp.	USA[17]
MyExperian, Inc.	USA[17]
My Health Direct, Inc.	USA[17]
Riverleen Finance, LLC	USA[17]
StatSchedules India, LLC	USA[17]
String Automotive Solutions, Inc.	USA[17]
String Enterprises, Inc.	USA[17]
The 41st Parameter, Inc.	USA[17]

Numeric superscripts refer to registered office addresses given in note S(ii).

Notes to the Company financial statements
continued

S. Related undertakings at 31 March 2020 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
Botswana	Plot 64518 Deloitte House, Fairgrounds, Gaborone, Botswana
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
eSwatini/Swaziland	c/o PricewaterhouseCoopers, Rhus Office Park, Kal Grant Street, Mbabane
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	World Trade Centre 3 Lantai 27, Jl. Jendral Sudirman Kav. 29-31, Kelurahan Karet, Kecamatan Setiabudi, Kota Adm. Jakarta Selatan, DKI Jakarta
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
Republic of Korea	10F Shinhan L Tower, 358 Samil-daero, Jung-gu, Seoul
Lesotho	Plot No 582, Ha Hoohlo Extension, Maseru
Malaysia[8]	17-9 & 79-9, 9th Floor, The Boulevard Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur
Malaysia[9]	10th Floor Menara Hap Seng, No. 1 & 3 Jalan P. Ramlee, 50250 Kuala Lumpur, Wilayah Persekutuan
Malaysia[10]	Level 8 Mercu 2, KL Eco City, 3 Jalan Bangsar, 59200

Country of incorporation	Address of registered office
Mexico	Paseo de la Reforma No. 115, Desp. 1503, Col. Lomas de Chapultepec, D.F., C.P. 11000
Monaco	Athos Palace 2, rue de la Lujerneta, MC 98000
Mozambique	Edifício Millennium Park, Avenida Vladimir Lenine, 174, 13°, Maputo
Namibia	C/O Aus Secretarial Services, Bougain Villas, 8 Sam Nujoma Drive, Windhoek
The Netherlands	Grote Marktstraat 49, 2511BH's-Gravenhage
New Zealand	Level 8, DLA Piper Tower, 205 Queen Street, Auckland, 1010
Norway	Karenslyst Allé 6, 0278 Oslo
Peru	Av. Canaval y Moreyra N° 480, Piso 19, San Isidro, Lima
Peru[11]	Av. Gral. Salaverry 2375, San Isidro, Lima, 15076
The Philippines	9th Floor, V Corporate Centre, LP Leviste Street, Salcedo Village, Makati City, Metro Manila
Poland	Plac Marsz. Józefa Piłsudskiego 3, 00-078 Warsaw
Singapore	10 Kallang Avenue, #14-18 Aperia Tower 2, Singapore, 339510
South Africa[12]	Experian House, Ballyoaks Office Park, 35 Ballyclare Drive, Bryanston Ext 7, 2191
South Africa[13]	Compuscan House, 3 Neutron Avenue, Techno Park, Stellenbosch, 7600
Spain[14]	C/Principe de Vergara 132, 1a Planta, 28002, Madrid
Spain[15]	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
Uganda	Plot 23, 3rd Floor, North Wing, Soliz House, Lumumba Avenue, Nakasero, Kampala
USA[16]	475 Anton Boulevard, Costa Mesa, CA 92626
USA[17]	The Corporation Trust Company, 1209 Orange Street, Wilmington DE 19801
USA[18]	c/o CT Corporation System, 4400 Easton Commons Way, Suite 125, Columbus OH 43219
USA[19]	c/o CT Corporation System, 818 West 7th Street, Los Angeles, CA 90017
USA[20]	The Corporation Company, 600 S. 2nd St, Suite 104, Springfield IL 62704

Numeric superscripts refer to subsidiary undertakings given in note S(i).

S. Related undertakings at 31 March 2020 continued

(iii) Additional information on subsidiary undertakings

Summary

The results of the undertakings listed at note S(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. 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:
DP Management Pte Ltd – 51%
Experian Australia Credit Services Pty Ltd – 84.7%
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 Information Services (Malaysia) Sdn. Bhd. – 74.0%
MCI-Experian Co., Ltd – 51.0%
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

Notes to the Company financial statements
continued

S. Related undertakings at 31 March 2020 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
United Credit Bureau	25.0%	Russia
Who Owns Whom (Pty) Limited	39.0%	South Africa
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
Compuscan Team Investment Trust	South Africa
CSH Education & Welfare Trust	South Africa
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, the USA, Brazil and South Africa, and the provision of medical cover in the UK.

Shareholder and corporate information

Analysis of share register at 31 March 2020

By size of shareholding

	Number of shareholders	%	Number of shares	%
Over 1,000,000	136	0.6	797,434,899	82.3
100,001 to 1,000,000	359	1.6	123,117,348	12.7
10,001 to 100,000	772	3.5	26,862,784	2.8
5,001 to 10,000	608	2.8	4,146,358	0.4
2,001 to 5,000	2,161	9.9	6,548,792	0.7
1 to 2,000	17,831	81.6	10,609,451	1.1
Total	**21,867**	**100.0**	**968,719,632**	**100.0**

By nature of shareholding

	Number of shareholders	%	Number of shares	%
Corporates	3,306	15.1	887,046,781	91.6
Individuals	18,560	84.9	21,248,266	2.2
Treasury shares	1	—	60,424,585	6.2
Total	**21,867**	**100.0**	**968,719,632**	**100.0**

Company website

A full range of investor information is available at www.experianplc.com. Details of the 2020 AGM, to be held in Dublin, Ireland on Wednesday, 22 July 2020, 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 2020

A second interim dividend in respect of the year ended 31 March 2020 of 32.5 US cents per ordinary share will be paid on 24 July 2020, to shareholders on the register of members at the close of business on 26 June 2020. Unless shareholders elect by 26 June 2020 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 3 July 2020. A first interim dividend of 14.5 US cents per ordinary share was paid on 31 January 2020.

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 2020, to be paid on 24 July 2020, should return a completed and signed DRIP application form, to be received by the registrars no later than 26 June 2020. Shareholders should contact the registrars for further details.

Shareholder and corporate information
continued

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:

Shareholder Relations

BNY Mellon Depositary Receipts
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	26 June 2020
Trading update, first quarter	16 July 2020
AGM	22 July 2020
Second interim dividend payment date	24 July 2020
Half-yearly financial report	17 November 2020
Trading update, third quarter	19 January 2021
Preliminary announcement of full-year results	May 2021

Contact information

Corporate headquarters
Experian plc
Newenham House
Northern Cross
Malahide Road
Dublin 17
D17 AY61
Ireland

T +353 (0) 1 846 9100
F +353 (0) 1 846 9150

Investor relations
E investors@experian.com

Registered office
Experian plc
22 Grenville Street
St Helier
Jersey
JE4 8PX
Channel Islands
Registered number – 93905

Registrars
Experian Shareholder Services
Link Market Services (Jersey) Limited
PO Box 532
St Helier
Jersey
JE4 5UW
Channel Islands

T 0371 664 9245

T (for calls from outside the UK) +44 800 141 2952

E experian@linkregistrars.com

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)
CEO	Chief Executive Officer
CFO	Chief Financial Officer
CGU	Cash-generating unit
CIP	Co-investment Plans
Code	The UK Corporate Governance Code
COO	Chief Operating Officer
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
FX	Foreign exchange rate(s)
FVOCI	Fair value through Other comprehensive income
FVPL	Fair value through profit or loss
FY18	Year ended 31 March 2018
FY19	Year ended 31 March 2019
FY20	Year ended 31 March 2020
FY21	Year ending 31 March 2021
FY22	Year ending 31 March 2022
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 & 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

Glossary
continued

Abbreviation	Meaning
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

FSC
www.fsc.org
MIX
Paper from
responsible sources
FSC® C016486

Designed and produced by **Friend**
www.friendstudio.com

This Annual Report is printed on UPM Finesse Silk, a paper which is certified by the Forest Stewardship Council®. The paper is made at a mill with ISO 14001 Environmental Management System accreditation.

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.

Corporate headquarters

Experian plc
Newenham House
Northern Cross
Malahide Road
Dublin 17
D17 AY61
Ireland

T +353 (0) 1 846 9100
www.experianplc.com

Operational headquarters

Experian
475 Anton Boulevard
Costa Mesa
CA 92626
United States

T +1 714 830 7000
www.experian.com

Serasa Experian
Av. Doutor Heitor
José Reali 360
CEP 13571-385
São Carlos
Brazil

T +55 11 3004 7728
www.serasaexperian.com.br

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

T +44 (0) 115 941 0888
www.experian.co.uk

Annual Report 2020
www.experianplc.com/annualreport

Sustainable Business Report 2020
www.experianplc.com/sbreport

Experian plc website
www.experianplc.com