
Notes to the parent company financial statements

for the period ended 31 March 2007

A. Corporate information

Experian Group Limited (the 'Company') was incorporated and registered in Jersey on 30 June 2006 under the Jersey Companies Law as a public company limited by shares with the name New Gemini (Jersey Co) No. 1 Limited. The Company changed its name to Experian Group Limited on 6 July 2006. The principal legislation under which the Company operates is Jersey Companies Law and regulations made thereunder.

The principal activity of the Company is to act as the ultimate holding company of the Experian Group, whose principal activity is business services.

The shares of the Company are listed on the London Stock Exchange's market for listed securities (the 'London Stock Exchange') and trading in these shares commenced on 11 October 2006.

B. Basis of preparation and significant accounting policies

Basis of preparation

The separate financial statements of the Company are presented in compliance with the requirements for companies whose shares are listed on the London Stock Exchange. They were approved by the Board on 22 May 2007. The Company's financial statements cover the period from incorporation on 30 June 2006 to 31 March 2007. They are presented in Pounds Sterling, as that is the functional currency of the Company. In determining its functional currency, the directors have determined the primary economic environment in which the Company operates.

The financial statements have been prepared on a going concern basis and under the historical cost convention, modified for the revaluation of certain financial instruments, and in accordance with the Companies (Jersey) Law 1991 and United Kingdom Generally Accepted Accounting Practice ('UK GAAP').

These separately presented Company financial statements comprise the profit and loss account, balance sheet and related notes. The Company has taken advantage of the exemption from preparing a cash flow statement under the terms of FRS 1 (Revised 1996) 'Cash Flow Statements'. The Company is also exempt under the terms of FRS 8 'Related Party Disclosures' from disclosing transactions with other members of the Experian Group.

The Experian Group Limited consolidated financial statements for the year ended 31 March 2007 contain financial instrument disclosures required by IAS 32 'Financial Instruments: Disclosure and Presentation' and these would also comply with the disclosures required by FRS 25 'Financial Instruments: Disclosure and Presentation'. Accordingly, the Company has taken advantage of the exemption in FRS 25 not to present separate financial instrument disclosures for the Company.

Significant accounting policies

The significant accounting policies of the Company are noted below.

Tangible fixed assets

Leasehold improvements are depreciated over the shorter of the estimated life of the asset and the remaining life of the lease.

Leases

Gross rental income receivable and payable in respect of operating leases is recognised on a straight line basis over the periods of the leases.

Investments in group undertakings

Investments in group undertakings are stated at cost less provision considered necessary for any impairment.

Impairment of fixed assets

Where there is an indication of impairment, fixed assets are subject to review for impairment in accordance with FRS 11 'Impairment of Fixed Assets and Goodwill'. Any impairment is recognised in the year in which it occurs.

Debtors and creditors

Debtors are initially recognised at fair value and carried at the lower of cost and recoverable amount. Where the time value of money is material, debtors are carried at amortised cost.

Creditors are initially recognised at fair value and carried at amortised cost if the time value of money is material.

Cash

Cash includes cash on hand, deposits held at call with banks and other short-term highly liquid investments.

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 expense.

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 directly to net foreign exchange gains or losses in the profit and loss account.

Deferred tax

Deferred tax is provided in respect of timing 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 timing differences reverse. Deferred tax assets are recognised only to the extent that they are expected to be recoverable.

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B. Basis of preparation and significant accounting policies (continued)

ESOP Trust shares

The Experian Group Limited Employee Share Trust ('the Trust') is a separately administered trust. Liabilities of the Trust are guaranteed by the Company and the assets of the Trust mainly comprise shares in the Company. The assets, liabilities and expenses of the Trust are included in the Company's financial statements as if they were the Company's own. Such shares held by the Trust are shown as a deduction from equity shareholders' funds at cost.

Share-based payments

The Group has a number of equity settled, share-based compensation plans. These include awards in respect of shares in the Company made at or after demerger together with awards previously made in respect of shares in GUS plc which were rolled-over into awards in respect of shares in the Company at demerger. The issuance by the Company of share incentives to employees of its subsidiaries represents additional capital contributions and therefore an increase in the Company's investment in group undertakings with a corresponding increase in equity shareholders' funds.

The fair value of options and shares granted is recognised after taking into account the Company's best estimate of the number of awards expected to vest. The Company revises the vesting estimate at each balance sheet date and non market performance conditions are included in the vesting estimates. Amounts are recognised over the vesting period. Fair value is measured at the date of grant using whichever of the Black-Scholes, Monte Carlo model and closing market price is most appropriate to the award. Market based performance conditions are included in the fair value measurement on grant date and are not revised for actual performance.

C. Operating loss

The operating loss is stated after charging:

	2007 £m
(i) Staff costs:	
Directors' fees	0.4
Wages and salaries	0.2
Total	0.6
(ii) Fees payable to the Company's auditor and its associates:	
Fees payable to Company's auditor for the audit of the parent company financial statements were £30,000	0.3
Fees payable to Company's auditor for the audit of the group financial statements	0.3
Fees payable to Company's auditor and its associates for other services:	
Services in respect of the demerger (included in exceptional items)	0.6
Total	0.9
(iii) Exceptional items:	
Costs incurred relating to the demerger of Home Retail Group and Experian	4.6

The Company employed an average of one employee during the period. Executive directors of the Company are employed by other companies within the Group.

Details of the remuneration of directors are given in the auditable part of the report on directors' remuneration on pages 52 to 57.

During the period the Company paid an interim equity dividend of £20.4m to shareholders and there was a dividend in specie to shareholders of £3,497.6m relating to the demerger of Home Retail Group. The directors propose a further dividend of 11.5 cents per share for the period ended 31 March 2007. This dividend is not included as a liability in the current year financial statements as it has not been declared. For further details see note 11 in the Experian Group financial statements.

D. Net interest income

	2007 £m
Interest income:	
External interest income	0.3
Interest on amounts owed by subsidiary undertakings	8.0
Unwind of discount on amount owed by subsidiary undertaking	0.7
	9.0
Interest expense:	
Interest on amounts owed to subsidiary undertakings	(0.3)
Net interest	8.7

E. Tax on loss on ordinary activities**(i) Tax charge for the period**

There was no tax charge for the period. The applicable rate of Corporation tax in Ireland is 25% for investment income (12.5% for trading income). The differences are explained below:

	2007 £m
Loss on ordinary activities before taxation	(4.2)
Loss on ordinary activities before tax multiplied by the applicable rate of Corporation tax in Ireland of 25% (12.5% for trading income)	(1.1)
Effects of:	
Income not taxable	(0.1)
Expenses not deductible	1.2
Current tax charge for the period	–

(ii) Factors that may affect future tax charges

In the foreseeable future, the Company's tax charge will continue to be influenced by the nature of its income and expenditure in subsequent accounting periods, and could be affected by changes in tax law.

(iii) Tax effect of exceptional items

The exceptional items included within the Company's expenses are not deductible for tax purposes.

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	2007 £m
F. Tangible fixed assets	
Short leasehold properties	
Cost	
Additions	0.2
At 31 March 2007	0.2
Depreciation	
At 31 March 2007	–
Net Book Value at 31 March 2007	0.2

	2007 £m
G. Investments in group undertakings	
Additions	812.2
Transfer from subsidiary undertaking	8,675.6
Disposals	(6,381.6)
Investments in group undertakings at 31 March 2007	3,106.2
Long-term loan to subsidiary undertaking	2,864.3
At 31 March 2007	5,970.5

- (i) Additions in the year comprised the fair value of the share incentives issued to employees of subsidiary undertakings during the period of £23.6m and £788.6m in respect of a subscription for share capital in Experian Ireland Investments Limited, whose principal activity is to act as an intra group finance company.
- (ii) The transfer from subsidiary undertakings comprised the transfer of GUS plc and its subsidiary undertakings as part of the demerger process.
- (iii) Disposals comprised £3,497.6m in respect of the distribution of shares in Home Retail Group to the Company's shareholders by way of dividend in specie and a capital reduction of £4,852.0m by a subsidiary undertaking settled by a long-term loan with a fair value of £2,863.6m and cash of £20.4m.

At 31 March 2007, the investment in group undertakings comprises the holdings of the whole of the issued share capital of Experian Investment Holdings Limited, Experian Ireland Investments Limited and Experian Group Services Limited. The principal activity of Experian Group Services Limited is the provision of administrative services to group companies.

The Company's principal subsidiary undertakings are listed on page 132.

	2007 £m
H. Debtors – due within one year	
Amounts owed by subsidiary undertakings	0.1
Taxation recoverable	1.6
	1.7

	2007 £m
I. Creditors – amounts due within one year	
Amounts owed to subsidiary undertakings	88.7
Accruals	0.3
Other creditors	0.4
Overdraft	0.7
	90.1

At 31 March 2007, the Company had undrawn committed borrowing facilities of £1,250m, all of which expires more than two years after the balance sheet date.

J. Share capital and share premium

	Number of Ordinary shares of US 10 cents m	Share capital £m	Share premium £m
At 30 June 2006 on incorporation	–	–	–
Issued on demerger of Home Retail Group	877.4	46.9	8,628.7
Capital reduction on 6 October 2006	–	–	(8,628.7)
Issued by way of Global Offer	142.9	7.7	792.3
Global offer issuance costs	–	–	(22.8)
Allotted under share option schemes	2.0	0.1	4.3
At 31 March 2007	1,022.3	54.7	773.8

Authorised and issued share capital

On incorporation, the authorised share capital of the Company was US\$10,000 divided into 10,000 Ordinary shares of US\$1 each. Of such Ordinary shares, two were issued and were paid up in full at a cost of US\$2 each. On 13 September 2006 the shareholders passed special resolutions under which each Ordinary share of US\$1 each was sub-divided into 10 Ordinary shares of 10 US cents each and the authorised share capital of the Company was increased from US\$10,000 to US\$200m by the creation of 1,999,900,000 additional Ordinary shares of 10 US cents each. The 20 Ordinary shares of 10 US cents then in issue were converted in to Deferred shares of 10 US cents each.

On 10 October 2006, the Company issued 877,444,999 Ordinary shares of 10 US cents each in connection with the demerger and on 11 October 2006 the Company issued a further 142,857,143 Ordinary shares of 10 US cents each by way of a Global Offer. Subsequent to 11 October 2006, a further 1,979,664 Ordinary shares were allotted on the exercise of share options. At 31 March 2007, 1,022,281,806 Ordinary shares of 10 US cents each and 20 Deferred shares of 10 US cents each had been allotted, called up and fully paid.

Share premium

As a result of the issue of 877,444,999 Ordinary shares of 10 US cents, referred to above, share premium of £8,628.7m arose, being the excess of the fair value of the net assets of £8,675.6m acquired over the nominal value of £46.9m of the shares issued.

On 10 October 2006, following the approval of the Jersey Court under Article 63 of Companies (Jersey) Law 1991, the Company reduced its share capital. This gave rise to a reduction of £8,628.7m in the share premium account and a corresponding increase in the profit and loss account reserve.

As a result of the Company issuing 142,857,143 Ordinary shares of 10 cents each, by way of Global Offer, at a price of £5.60 per share, additional share premium of £792.3m was created being the excess of the proceeds of the shares issued over their nominal value. Related issue costs of £22.8m have been charged against the share premium account. Similarly, additional share premium of £4.3m was created in the period when shares were allotted under share option schemes. The share premium account is not available for distribution.

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	ESOP shares £m	Profit and loss account £m	Total profit and loss account reserve £m
K. Reserves			
Loss for the financial period	–	(4.2)	(4.2)
Transfer to profit and loss account on reduction in share capital	–	8,628.7	8,628.7
Equity dividends paid during the period	–	(20.4)	(20.4)
Dividend in specie relating to the demerger of Home Retail Group	–	(3,497.5)	(3,497.5)
Transfer of ESOP shares at fair value	(80.1)	17.0	(63.1)
Purchase of ESOP shares	(33.6)	–	(33.6)
Allotment of share options	27.7	–	27.7
Credit in respect of share incentive schemes	–	23.6	23.6
At 31 March 2007	(86.0)	5,147.2	5,061.2

ESOP shares represent the cost of shares in the Company held by the following trusts to satisfy the Group's obligations under its share incentive plans:

	Number of shares
Experian Group Limited Employee Share Trust	13,419,683
GUS plc ESOP Trust	2,340,100
Experian UK Approved All-Employee Share Plan	926,565
	16,686,348

A total of 6,670,514 Ordinary shares were purchased by the Trusts from the date of incorporation to 31 March 2007 at a cost of £33.6m. A total of 15,090,260 shares were transferred from GUS plc to Experian Group Limited on novation of GUS plc's interest in the GUS plc ESOP Trust for a fair value of £63.1m. Subsequently a number of these shares have been transferred into the Experian Group Limited Employee Share Trust.

Equity dividends of £20.4m were paid to those Experian Group Limited shareholders who did not elect to receive dividends under the Income Access Share ('IAS') arrangements. In total £28.5m of dividends were paid in the post demerger period of which £8.1m was paid by Experian Finance plc (formerly GUS plc) under the IAS arrangements.

L. Commitments

(i) Capital commitments

There are no significant capital commitments relating to the Company.

(ii) Operating lease commitments

The Company has an annual commitment of £0.3m in respect of the lease of the Group's Corporate Headquarters in Ireland, this commitment expires in more than five years. Rental payments commence in May 2008.

M. Contingencies

At 31 March 2007, the Company is the guarantor of the retirement benefit obligations of the Group companies that participate in the Experian Pension Scheme.

N. Share options and awards

The Company has not repeated the disclosures required by FRS 20 'Share-based Payment' as these are already included in note 31 of the Group financial statements.

Details of the unexercised options are shown below and include those options granted to directors of the Company. Further details of options granted to directors of the Company are contained in the report on directors' remuneration on pages 53 and 54.

(i) Options and awards in respect of the Ordinary shares of the Company	2007 m
Experian Reinvestment Plan	10.3
Experian Co-Investment Plan	2.2
Experian Performance Share Plan	8.9
Experian Share Option Plan	17.7
Experian North American Share Option Plan	11.8
Experian UK Approved All-Employee Plan/Free Share Plan	3.2
Experian Sharesave Plan	1.9
	56.0

(ii) Awards under the Experian Reinvestment Plan

During the period ended 31 March 2007, awards were made under this plan in respect of 10,445,779 Ordinary shares in the Company. At 31 March 2007 awards in respect of 10,302,923 Ordinary shares remained outstanding and, as indicated in note K, shares have been purchased by the Experian Group Limited Employee Share Trust to meet obligations under this plan. These awards include those granted to directors, further details of which are contained in the report on directors' remuneration on page 56.

During the period ended 31 March 2007, no Ordinary shares were transferred from the Trust to beneficiaries of the Experian Reinvestment Plan.

(iii) Awards under the Experian Co-Investment Plan

During the period ended 31 March 2007, awards were rolled-over from the GUS plc Co-Investment Plan into the Experian Co-investment Plan in respect of 2,223,009 Ordinary shares in the Company. At 31 March 2007, awards in respect of 2,223,009 Ordinary shares remained outstanding and, as indicated in note K, shares have been purchased by the Experian Group Limited Employee Share Trust to meet obligations under this plan. These awards include those granted to directors, further details of which are contained in the report on directors' remuneration on page 56.

During the period ended 31 March 2007, 763,972 Ordinary shares were transferred from the Trust to beneficiaries of the Experian Co-Investment Plan.

(iv) Awards under the Experian Performance Share Plan

During the period ended 31 March 2007, awards were rolled-over from the GUS plc Performance Share Plan in respect of 2,968,004 Ordinary shares in the Company. In addition, during the period ended 31 March 2007 new awards in respect of 6,112,885 Ordinary shares of the Company were made under this plan. At 31 March 2007, awards in respect of 8,873,114 Ordinary shares remained outstanding and, as indicated in note K, shares have been purchased by the Experian Group Limited Employee Share Trust to meet obligations under this plan. These awards include those granted to directors, further details of which are contained in the report on directors' remuneration on page 55.

During the period ended 31 March 2007, no Ordinary shares were transferred from the Trust to beneficiaries of the Experian Performance Share Plan.

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N. Share options and awards (continued)

(v) Options under the Experian Share Option Plan

Unexercised options granted under this scheme in respect of Ordinary shares in the Company are as follows:

	Number of shares 2007	Exercise price	Period of exercise
Approved:	24,008	219.5p	From 07.04.2003 to 06.04.2010
	8,379	358.0p	From 11.06.2004 to 10.06.2011
	50,962	381.6p	From 06.06.2005 to 05.06.2012
	161,335	394.7p	From 19.06.2006 to 18.06.2013
	256,078	472.9p	From 01.06.2007 to 31.05.2014
	244,047	501.7p	From 31.05.2008 to 30.05.2015
	80,186	514.8p	From 22.11.2008 to 21.11.2015
	146,459	578.5p	From 11.10.2009 to 10.10.2019
Non-Approved:	40,701	211.4p	From 07.04.2003 to 06.04.2010
	671,751	344.8p	From 11.06.2004 to 10.06.2011
	54,964	357.3p	From 17.12.2004 to 16.12.2011
	936,272	367.5p	From 06.06.2005 to 05.06.2012
	1,659,685	380.1p	From 19.06.2006 to 18.06.2013
	54,799	426.0p	From 02.12.2006 to 01.12.2013
	2,293,658	455.4p	From 01.06.2007 to 31.05.2014
	21,566	487.9p	From 24.11.2007 to 23.11.2014
	3,069,242	483.1p	From 31.05.2008 to 30.05.2015
	82,273	495.8p	From 22.11.2008 to 21.11.2015
	3,823,500	521.1p	From 02.06.2009 to 01.06.2016
	4,021,593	560.0p	From 11.10.2009 to 10.10.2019
	17,701,458		

During the period ended 31 March 2007, 737,657 Ordinary shares were issued and 2,335,772 Ordinary shares were transferred to beneficiaries following the exercise of such share options. These awards include those granted to directors, further details of which are contained in the report on directors' remuneration on pages 53 and 54.

N. Share options and awards (continued)

(vi) Options under the Experian North American Share Option Plan

Unexercised options granted under this scheme in respect of Ordinary shares in the Company are as follows:

Number of shares 2007	Exercise price	Period of exercise
21,162	344.8p	From 11.06.2002 to 10.06.2007
1,013,400	367.5p	From 06.06.2003 to 05.06.2008
1,341,664	380.1p	From 19.06.2004 to 18.06.2009
49,852	426.0p	From 02.12.2004 to 01.12.2009
1,674,819	455.4p	From 01.06.2005 to 31.05.2010
6,326	487.9p	From 24.11.2005 to 23.11.2010
2,053,635	483.1p	From 31.05.2006 to 30.05.2011
8,499	495.8p	From 22.11.2006 to 21.11.2011
5,664,935	521.1p	From 02.06.2007 to 01.06.2012
11,834,292		

All such options are to be satisfied by the transfer of already issued Ordinary shares and shares have been purchased for this purpose by the Experian Group Limited Employee Share Trust. During the period ended 31 March 2007, 1,222,262 Ordinary shares were transferred to beneficiaries following the exercise of such options. These awards include those granted to directors, further details of which are contained in the report on directors' remuneration on pages 53 and 54.

(vii) Options under the Experian Sharesave Plan

Unexercised options granted under this scheme in respect of Ordinary shares in the Company are as follows:

Number of shares 2007	Exercise price	Period of exercise
230,344	305.6p	From 01.09.2007 to 29.02.2008
157,623	296.8p	From 01.09.2008 to 28.02.2009
151,007	378.7p	From 01.09.2009 to 28.02.2010
14,098	386.6p	From 01.09.2010 to 28.02.2011
730,292	378.7p	From 01.09.2007 to 29.02.2008
634,251	401.4p	From 01.09.2008 to 28.02.2009
1,917,615		

During the period ended 31 March 2007, 2,562 Ordinary shares were issued and 1,239,302 Ordinary shares were transferred to beneficiaries following the exercise of such share options. These awards include those granted to directors, further details of which are contained in the report on directors' remuneration on page 54.

In addition 309,628 Ordinary shares were issued in connection with a savings based share scheme in the United States.

(viii) Awards under the Experian UK Approved All-Employee Plan/Free Share Plan

During the period ended 31 March 2007, awards were made under this plan in respect of 3,222,065 Ordinary shares in the Company. At 31 March 2007, awards in respect of 3,190,815 Ordinary shares remained outstanding.

During the period ended 31 March 2007, 929,877 Ordinary shares were issued to the Experian UK Approved All-Employee Plan Trust of which 3,212 were transferred to be beneficiaries of the Experian UK Approved All-Employee Plan.

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O. Principal subsidiary and associate undertakings

The principal subsidiary and associate undertakings at 31 March 2007, all of which are included in the Group financial statements, are listed below.

	Country of incorporation	Percentage of ordinary shares held
Experian Finance plc (formerly GUS plc)	England and Wales	100%
Experian Holdings Limited	England and Wales	100%
Experian Limited	England and Wales	100%
ClarityBlue Limited	England and Wales	100%
QAS Limited	England and Wales	100%
Experian A/S	Denmark	100%
Experian Holdings France S.A.	France	100%
CreditInform AS	Norway	100%
Experian North America, Inc.	USA	100%
ConsumerInfo.com	USA	100%
PriceGrabber.com	USA	100%
LowerMyBills.com	USA	100%
Experian Information Solutions Inc.	USA	100%
Experian Services Corporation	USA	100%
Experian Marketing Solutions Inc.	USA	100%
Associate		
First American Real Estate Solutions LLC	USA	20%

None of the above undertakings are directly held by Experian Group Limited.