

Butterworths Limited

Report and Financial Statements

For the year ended 31 December 2019



Butterworths Limited Company Registration No. 02826955
OFFICERS AND PROFESSIONAL ADVISERS

Directors

C Fleck
J Blows

Secretary

RE Secretaries Limited

Registered Office

Lexis House
30 Farringdon Street
London
EC4A 4HH
United Kingdom

Auditor

Ernst & Young LLP
Chartered Accountants and Statutory Auditor
1 More London Place
London
SE1 2AF
United Kingdom

The Directors present their strategic report for the year ended 31 December 2019.

BUSINESS REVIEW

The company acts as a service company providing a payroll service for LexisNexis divisions of RELX PLC in the UK. The directors do not anticipate any major changes in activity in the foreseeable future.

The Company's key financial and other performance indicators during the year were as follows:

The results of the company for the year, as set out on pages 8 to 13, show a profit after taxation of £ nil (2018: £ nil). The shareholders' funds of the company total £2 (2018: £2).

The company employed an average of 1,101 people (2018: 1,170 people) during 2019. The full cost is recharged over to various LexisNexis departments generating income of £74,178,644 (2018: £77,535,372).

The staff includes part time staff, full time staff and directors across the various departments within LexisNexis.

KEY PERFORMANCE INDICATORS

The directors consider there to be no additional key performance indicators other than those on the primary financial statements.

FINANCIAL RISK MANAGEMENT

Due to the fact that the company has solely carried on the activities as noted in the business review above and has no plans to change within the foreseeable future, the company does not consider it necessary to adopt a financial risks policy as information regarding credit, liquidity and market risks is not considered material for the assessment of the assets, liabilities, financial position and profit or loss of the company.

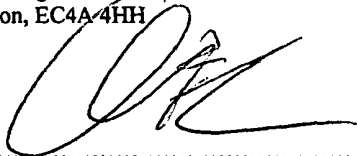
PRINCIPAL RISKS AND UNCERTAINTIES

The company has identified and evaluated its major risks, the controls in place to manage those risks and the level of residual risk accepted. Risk management and control procedures are embedded into the operations of the business and include the monitoring of progress in areas for improvement that come to management and board attention.

Our priority during the COVID-19 pandemic remains the health and safety of our colleagues, our customers, and the wider community in which we operate, whilst continuing to operate our businesses and provide services to our customers. Given the electronic nature of our business, almost all our staff are able to work from home and the business has been able to operate with service delivery and product quality being maintained at high levels.

The Strategic Report has been approved by the Board.

By Order of the Board
Lexis House
30 Farringdon Street
London, EC4A 4HH



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C Fleck
Director

2nd June 2020

Butterworths Limited **Company Registration No. 02826955**
DIRECTORS' REPORT

The directors present their annual report on the affairs of the company together with the audited financial statements and supporting notes and the auditor's report for the year ended 31 December 2019.

Details of the Company's principal activities, results, developments and principal risks in the year are included in the Strategic Report.

Trading results and dividends

The profit on ordinary activities after tax for the financial year was £ nil (2018: £ nil). During the year the company did not pay a dividend (2018: £ nil).

Directors Duties and Section 172 Statement

Section 172 of the Companies Act 2006 requires a director of a company to act in the way that he or she considers, in good faith, would most likely promote the success of the Company for the benefit of its members as a whole. In doing this, section 172 requires directors to have regard to, amongst other matters, the:

- likely consequences of any decisions in the long-term;
- interests of the company's employees;
- need to foster the company's business relationships with suppliers, customers and others;
- impact of the company's operations on the community and environment;
- desirability of the company maintaining a reputation for high standards of business conduct; and
- need to act fairly as between members of the company.

In discharging our duties we have regard to the factors set out above. In addition, we have regard for other factors which we consider relevant to a decision being made. Those factors, for example, include the interests and views of our parent company, RELX (UK) Limited, our ultimate parent company, RELX PLC, and the wider RELX group of companies (the "Group"). We aim to ensure that our decisions support the Group's approved purpose, vision and values, together with its strategic priorities.

As part of Board meetings held, Directors receive information on section 172 matters when making relevant decisions. For example, in each year we make an assessment of the strength of the Company's balance sheet and future prospects, and having considered these, make a decision about the payment of a dividend. In 2019, we decided that no dividend would be paid for the financial year ended 31 December 2019. In making our decision, we considered a range of factors. These included the long-term viability of the company; its expected cash flow and financing requirements; and the expectations of our sole shareholder and its return on investment in the company. Having considered the factors, the Board agreed that not paying a dividend for 2019 would promote the success of the company.

Many policies or processes which cover areas listed above are set and approved by the RELX PLC Board or central functions. For example, the Company's approach to Inclusion and Diversity, Corporate Responsibility, Employee Engagement, the internal and external audit of the Company and its financial reporting, are all set at that level and apply across the Group.

The Group operates a number of policies such as the RELX Code of Ethics and Business Conduct which sets out the standards for our corporate and individual conduct and, among key issues, covers fair competition, anti-bribery, conflicts of interest and other information. The group also operates a Whistleblowing helpline which is a group wide approach which is aimed at reporting improprieties within the workplace and reinforces the importance of this channel as a means to flag unethical behaviour. The Group also operates a zero-tolerance approach to modern slavery and human trafficking. The group is committed to acting ethically and with integrity in all of our business relationships. We work closely with our business partners, suppliers and supply chains to ensure there is no place for modern slavery and human trafficking in any area of our business. As part of this process we regularly review our processes and controls to prevent modern slavery and human trafficking. In addition, the Group also operates a Supplier Code of Conduct which is available in 16 languages, which we ask suppliers to sign and display prominently in the workplace. It commits them to following applicable laws and best practice in areas such as human rights, labour and the environment.

Employee relations

The company is fully committed to the concept of employee involvement and participation. Where appropriate, major announcements are communicated to employees through internal briefings. Information on performance, development, organisational changes and other matters of interest is communicated through briefings and electronic bulletins. The company is an equal opportunity employer. It does not discriminate on the grounds of race, sex, religion, physical

handicap or marital status in its recruitment or employment policies. All judgements about people for the purpose of recruitment, development and promotion are made solely on the basis of their ability and potential in relation to the needs of the job.

Disabled persons

It is the policy of the company to consider the skills and aptitudes of disabled persons fully and fairly at all times in recruitment, career development, training and promotion. In pursuing this policy, and having special concern for employees who become disabled, all practical measures are taken to ensure that disabled persons are placed in jobs suited to their individual circumstances.

Going concern

The directors of Butterworths Limited have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis in preparing the annual financial statements. The directors of Butterworths Limited have considered the impact of COVID-19 as part of the going concern assessment and have concluded that this will not impact the company's ability to continue as a going concern. This conclusion is based on the fact that the Company derives all revenue from recharging payroll costs to other companies in the RELX group, all of whom are anticipated to continue to be able to meet these costs.

Additionally, the directors of Butterworths Limited have received written confirmation that RELX Group Plc is fully prepared and able to support the Company as necessary for the foreseeable future that is a period of at least 12 months from the date of signing these financial statements. The directors of Butterworths Limited have considered the anticipated trading performance and liquidity of RELX Group Plc when assessing this support.

For these reasons, the directors of Butterworths Limited continue to adopt the going concern basis in preparing the annual financial statements.

Further details regarding the adoption of the going concern basis can be found in the statement of accounting policies in the financial statements.

Directors

The directors who served during the year and those holding office are shown on page 1. Directors' indemnity insurance has been taken out by the company on the directors' behalf.

Auditor

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- the director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Pursuant to s485 of the Companies Act 2006 the auditor is deemed to be reappointed and Ernst & Young LLP will therefore continue in office. Appropriate arrangements have been put in place for them to be deemed reappointed as auditor in the absence of an Annual General Meeting.

By Order of the Board
Lexis House
30 Farringdon Street
London, EC4A 4HH



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C Fleck
Director

2nd June 2020

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with FRS 101 (Financial Reporting Standard 101) '*Reduced Disclosure Framework*' as issued by the Financial Reporting Council. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable FRS 101 (Financial Reporting Standard 101) '*Reduced Disclosure Framework*' accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the company will continue in business.

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

Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BUTTERWORTHS LIMITED

Opinion

We have audited the financial statements of Butterworths Limited for the year ended 31 December 2019 which comprise the Statement of Comprehensive Income, the Statement of Financial Position and the related notes 1 to 9, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the company's affairs as at 31 December 2019 and of its results for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report below. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter: Disclosures in respect of COVID-19

We draw attention to Note 1 of the financial statements, which describes the economic and social consequences the company is facing as a result of COVID-19 which may impact consumer demand and financial markets. Our opinion is not modified in respect of this matter.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BUTTERWORTHS LIMITED

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

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

Responsibilities of directors

As explained more fully in the directors' responsibilities statement (set out on page 5), the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed

Ernst & Young LLP

Jonathan Gill (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
London
03 June 2020

STATEMENT OF COMPREHENSIVE INCOME
For the year ended 31 December 2019

	Note	2019 £	2018 £
Revenue	2	74,178,644	77,535,372
Operating expenses	3 & 4	<u>(74,178,644)</u>	<u>(77,535,372)</u>
Operating profit		-	-
Net profit for the year		<u>-</u>	<u>-</u>
Other comprehensive income		-	-
Total comprehensive income for the year		<u>-</u>	<u>-</u>

There are no recognised gains or losses or movements in shareholders' funds in either the current or previous financial years other than as stated above.

All results relate to continuing operations.

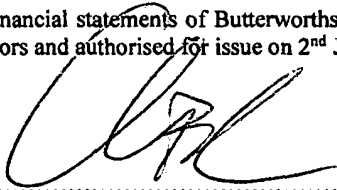
The notes on pages 10 to 13 form part of these accounts.

Butterworths Limited **Company Registration No. 02826955**
STATEMENT OF FINANCIAL POSITION
As at 31 December 2019

	Note	2019 £	2018 £
Non-current assets		-	-
Current assets			
Trade and other receivables	6	2	2
Total assets		<u>2</u>	<u>2</u>
Current liabilities			
Non-current liabilities		-	-
Capital and reserves			
Share capital	7	2	2
Total equity		<u>2</u>	<u>2</u>

The notes on pages 10 to 13 form part of these accounts.

The financial statements of Butterworths Limited, registered number 02826955, were approved by the Board of Directors and authorised for issue on 2nd June 2020. They were signed on its behalf by:



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C Fleck
Director

2nd June 2020

NOTES TO THE ACCOUNTS
For the year ended 31 December 2019

1. Accounting policies

Basis of preparation

Butterworths Limited (the “company”) is a company incorporated in the United Kingdom under the Companies Act. The address of the registered office is given on page 1. The nature of the company’s operations and its principal activities are set out in the strategic report on page 2.

The financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101). The financial statements have been prepared on the historical cost basis.

The Company’s financial statements are presented in sterling except when otherwise indicated.

As permitted by FRS 101, the company has taken advantage of the disclosure exemptions available under that standard. Where relevant, equivalent disclosures have been given in the consolidated financial statements of RELX PLC. The Annual Report and financial statements of RELX PLC are available to the public and can be obtained as set out in note 8.

The principal accounting policies adopted are set out below.

Going concern

This entity principally provides services to other companies in the RELX PLC group. The directors of Butterworths Limited have considered the impact of COVID-19 as part of the going concern assessment and have concluded that this will not impact the company’s ability to continue as a going concern. This conclusion is based on the fact that the Company derives all revenue from recharging payroll costs to other companies in the RELX group, all of whom are anticipated to continue to be able to meet these costs.

Additionally, the directors of Butterworths Limited have received written confirmation establishing that RELX Group Plc will support the company as necessary for a period of at least 12 months from the date of signing these financial statements. When assessing this support, the directors of Butterworths Limited have considered the anticipated trading performance and liquidity of RELX Group Plc.

Management has assessed the other relevant factors surrounding going concern, including financing available from other companies in the RELX PLC group, and considers the basis of accounting preparation appropriate.

Pensions

The Reed Elsevier Pension Scheme (a defined benefit scheme) is administered on a RELX Group plc basis and total contributions are assessed by a qualified actuary, based on the cost of providing pensions across all participating RELX companies. There is no contractual agreement or stated policy for charging the net defined benefit cost and, therefore RELX Group plc, which is the scheme guarantor, recognises the whole of the scheme surplus or deficit in its financial statements. There was no pension costs charged to the profit and loss account in the year due to the fact that the costs were borne by another group company.

Standards and amendments effective for the year

The interpretations and amendments to IFRS effective for 2019 have not had a significant impact on the accounting policies or reporting.

NOTES TO THE ACCOUNTS (CONTINUED)
For the year ended 31 December 2019

2. Revenue

Revenue represents costs recharged to RELX (UK) Limited.

3. Operating expenses

	2019	2018
	£	£
Operating expenses comprises:		
Service fee expense	<u>(74,178,644)</u>	<u>(77,535,372)</u>

Fees payable to the company's auditor for the audit of the company's annual accounts of £2,409 (2018: £2,352) were borne by the company's immediate parent undertaking, RELX(UK) Limited, in both the current and preceding year.

4. Personnel

	2019	2018
	£	£
Staff costs:		
Wages and salaries	66,084,639	69,147,701
Social security costs	<u>8,094,005</u>	<u>8,387,671</u>
	<u>74,178,644</u>	<u>77,535,372</u>

The company employed an average of 1,101 full time equivalent employees in 2019 (2018: 1,170). The full cost is recharged over to various LexisNexis departments generating income of £74,178,644 (2018: £77,535,372).

None of the directors received any emoluments in respect of services to the company during the year (2018: nil)

NOTES TO THE ACCOUNTS (CONTINUED)
For the year ended 31 December 2019

5. Taxation

	2019 £	2018 £
Current tax:		
Total tax per income statement	<u>-</u>	<u>-</u>

The charge for the year can be reconciled to the profit per the income statement as follows:

Profit for the period	<u>-</u>	<u>-</u>
Tax on profit at standard UK tax rate of 19.00% (2018: 19.00%)	-	-
Effects of:		
Transfer pricing adjustments	704,697	736,607
Effects of group relief/ other reliefs	<u>(704,697)</u>	<u>(736,607)</u>
Tax charge for the period	<u>-</u>	<u>-</u>

Butterworths Limited is part of the wider UK RELX group, the company's immediate parent undertaking is RELX (UK) Limited, and the ultimate parent undertaking is RELX PLC. As part of this group any UK corporation tax liabilities of Butterworths Limited are settled on behalf of the company by RELX Group Plc, a company incorporated in England and Wales.

Butterworths Limited has recognised a transfer pricing adjustment for 2019 of £704,697 (2018: £736,607). The effect of group relief has been recorded in accordance with payroll costs which have incurred for all LNUK based employees for RELX PLC. There is no mark-up applied in result of the recharges between Butterworths Limited and RELX PLC which has been agreed with all parties involved.

6. Trade and other receivables

	2019 £	2018 £
Trade receivables	<u>2</u>	<u>2</u>
	<u>2</u>	<u>2</u>

7. Called up share capital

	Authorised		Called up, issued and fully paid	
	Number	£	Number	£
<i>Ordinary shares of £1 each</i>				
At 1 January and 31 December 2019	100	100	2	2

NOTES TO THE ACCOUNTS (CONTINUED)
For the year ended 31 December 2019

8. Ultimate parent company

The company's immediate parent undertaking is RELX (UK) Limited, a company incorporated in England and Wales. The company's ultimate parent undertaking is RELX PLC, a company incorporated in England and Wales. The smallest and largest group into which the accounts of the company for the year ended 31 December 2019 are consolidated is RELX PLC. Copies of the consolidated accounts of RELX PLC may be obtained from its registered office at 1-3 Strand, London, WC2N 5JR.

9. Related party transactions

The company is exempt under the terms of FRS 101 paragraph 8(k) from disclosing related party transactions with entities that are part of RELX PLC. There were no other related party transactions in the current or prior year.