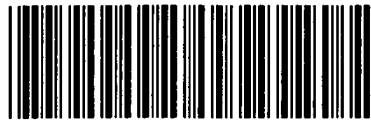


# LexisNexis Risk Solutions UK Limited

## Report and Financial Statements

For the Year Ended 31 December 2019

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**LexisNexis Risk Solutions UK Limited**  
**Report and Financial Statements**  
**For the Year Ended 31 December 2019**

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**LexisNexis Risk Solutions UK Limited**  
**Officers and Professional Advisers**

<b>The Board of Directors</b>	Mr K A Binley	(Resigned 1st July 2019)
	Mr W S Madison	
	Mr R E Trainor	
	Mr S Elliot	(Appointed 4th March 2019)
	Mr J A Skelton	(Appointed 1st July 2019)
	Ms S A Lowe	(Appointed 29th January 2020)

**Company Secretary** RE Secretaries Limited

**Registered Office**  
1st Floor  
80 Moorbridge Road  
Maidenhead  
Berkshire  
United Kingdom  
SL6 8BW

**Auditor**  
Ernst & Young LLP  
1 More London Place  
London  
United Kingdom  
SE1 2AF

# LexisNexis Risk Solutions UK Limited

## Strategic Report

### Year ended 31 December 2019

Company Number: 07416642

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

#### Review of the business

LexisNexis Risk Solutions UK Limited ("the company") provides its customers with essential information to help customers across industry, insurance and government to assess, predict and manage risk. The key solutions offered by the company help customers to reduce costs, enhance efficiency, improve profitability and comply with regulations through the delivery of advanced analytics via leading technology and data capabilities. By bringing clarity to information, the company helps to enhance the assessment of relationship risk, making communities safer, insurance rates more accurate, commerce more transparent, business decisions easier and processes more efficient.

The strategy of the businesses of RELX plc is determined on a divisional basis. For this reason, the company's directors believe that a listing of key performance indicators for the company are not necessary or appropriate for an understanding of the development, performance or position of the business. The performance of the Risk and Business Analytics division, which includes the company, is discussed in the RELX Group Annual Reports and Financial Statements 2019 (available on [www.relx.com](http://www.relx.com)) which does not form part of this report.

#### Results and performance

The results of the company for the year, as set out on pages 9 to 19, show a loss on ordinary activities before taxation for the year of £24,494,717 (2018: £14,592,600) on the turnover for the year of £14,023,323 (2018: £9,449,571). The loss on ordinary activities after tax for the financial year was £22,698,857 (2018: £11,884,213). The retained loss of £22,698,857 (2018: £11,884,213) has been taken to reserves.

During 2019 the Wunelli Ltd and Tracesmart Group Limited acquired businesses, held as an investment in subsidiaries within the LexisNexis Risk Solutions UK Limited balance sheet, were further integrated in to the broader LexisNexis Risk Solutions UK business resulting in an impairment of the standalone legal entities. The full value of this impairment was booked in the 2019 Statement of Comprehensive Income. See note 11 for further details.

#### Going Concern

Management has assessed the relevant factors surrounding going concern, including financing available from other companies in the RELX plc group, and considers the basis of accounting preparation appropriate. The directors of LexisNexis Risk Solutions UK Limited have received written confirmation that RELX Group plc, a direct subsidiary of the ultimate parent company, is prepared and able to support the company as necessary for the foreseeable future as the Company has net current liabilities.

The directors of LexisNexis Risk Solutions UK 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 current level of subscriptions, anticipated future subscription renewals, anticipated transaction-based revenues, and the ongoing collectability of revenue from customers. Additionally, the directors of LexisNexis Risk Solutions UK Limited have received written confirmation establishing that RELX Group plc, a direct subsidiary of the ultimate parent company, will support the company as necessary for a period of at least 12 months from the date of signing these financial statements. The directors of LexisNexis Risk Solutions UK Limited have considered the anticipated trading performance as noted above and liquidity of RELX Group plc, a direct subsidiary of the ultimate parent company, when assessing this support.

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

#### Business environment

The company operates in a rapidly evolving business environment, with investors, regulators and customers placing increasing pressure on consumer facing companies to recognise the need for high quality, up-to-date data to be used to support decisions made in respect of consumers. The company's leverage of technology platforms and data content enables customers to better assess and manage risk exposure, increase profitability, enhance client experiences and improve efficiency. The company's strategy is to broaden and deepen its business client portfolio by developing innovative risk based products based on a wide range of conventional and alternative data content sets.

#### Strategy

The company is in a position to leverage both its experience and leading position in the United States with expansion and growth in the UK. This will be achieved by integrating several data sources already in existence in the UK, developing new data sources and by building a technology infrastructure that has the response times and accuracy demanded by high volume and highly competitive customer workflows. Working to meet customer needs, future waves of product launches are in an ongoing pipeline of development which includes growth in the motor and home insurance markets as well as in financial services, life and pensions and wider corporate business sectors.

**LexisNexis Risk Solutions UK Limited**  
**Strategic Report (continued)**  
**Year ended 31 December 2019**

**Principal risk and uncertainties**

The management of the business and the execution of the company's strategy are subject to a number of normal risks.

The key business risk and uncertainties affecting the company are considered to relate to the economic climate, competition from other suppliers and customer retention, all of which are subject to continuous review.

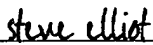
Our priority during the COVID-19 pandemic remains the health and safety of our colleagues, our customers, and the wider community in which we operate, whilst continuing to operate our businesses and provide services to our customers. Given the electronic nature of our business, almost all our staff are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

**Future developments**

The company seeks further UK growth through leveraging its relationship with Mapview, a RELX Group acquisition with a strong UK customer base and UK acquisitions of Wunelli and Tracesmart and the acquisition of Indicium Financial, Insurance Initiatives Limited and Symbiotic Technologies Operations Limited.

Approved by the Board of Directors and signed on its behalf by:

DocuSigned by:



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S Elliot  
Director

30 June 2020

**LexisNexis Risk Solutions UK Limited**  
**Directors' Report**  
**Year ended 31 December 2019**

Company Number: 07416642

The directors present their Report and Financial Statements for the year ended 31 December 2019.

**Future Developments and events after the reporting period**

Future developments are discussed in the Strategic Report on page 3.

**Dividends**

During the year the company paid no dividends (2018: Nil).

**Directors**

The present membership of the Board that served throughout the year, except as noted, is set out on page 1.

**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.

**Employees**

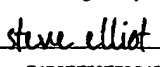
Consultation with employees or their representatives has continued at all levels, with the aim of ensuring that views are taken into account when decisions are made that are likely to affect their interests. All employees are aware of the financial and economic performance of the divisions they work in and the wider group as a whole. Communication with all employees continues through in-house emails, briefing groups and town halls.

**Disclosure of information for the auditor**

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

- so far as they are aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the company's auditor is unaware; and
- having made enquiries of fellow directors and the company's auditor, they have taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Approved by the Board of Directors and signed on its behalf by:

DocuSigned by:  
  
\_\_\_\_\_  
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S Elliot  
Director

30 June 2020

## **LexisNexis Risk Solutions UK Limited**

### **Statement of Directors' Responsibilities**

#### **Year ended 31 December 2019**

The directors are responsible for preparing the strategic report, the directors' report and the financial statements in accordance with applicable UK 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 101 (Financial Reporting Standard 101) "Reduced Disclosure Framework". 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 accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on 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.

#### **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) Ltd, 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.

The Board also considered throughout the year, the acquisition of the full legal and beneficial interest of shares held by Symbiotic Technologies Operations Pty Ltd in the entire shareholding of Symbiotic Technologies Operations Limited. Following discussions about the proposed transaction, the Board concluded that it supported the company's approach which was most likely to deliver the best results in the long-term both for the company and its stakeholders.

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.

**LexisNexis Risk Solutions UK Limited**  
**Statement of Directors' Responsibilities (continued)**  
**Year ended 31 December 2019**

The Company is also 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 RELX PLC Save as You Earn Option Scheme enables employees to participate in the future prosperity of the company.



## Independent Auditor's Report to the Members of LexisNexis Risk Solutions UK Limited

### Opinion

We have audited the financial statements of LexisNexis Risk Solutions UK Limited for the year ended 31 December 2019 which comprise the Statement of Financial Position, the Statement of Comprehensive Income, and the Statement of Changes in Equity and the related notes 1 to 18, 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 loss 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 – Disclosure of effects 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.

### 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.

## Independent Auditor's Report to the Members of LexisNexis Risk Solutions UK Limited (continued)

### 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.

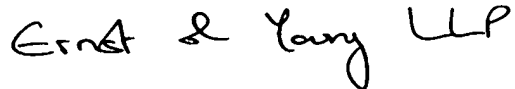
### Auditor's responsibilities for the audit of the financial statements

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.



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

**LexisNexis Risk Solutions UK Limited**  
**Statement of Comprehensive Income**  
**Year ended 31 December 2019**

	Notes	2019 £	2018 £
Revenue	2	14,023,323	9,449,571
Cost of sales		<u>(8,373,599)</u>	<u>(6,316,252)</u>
Gross profit		5,649,724	3,133,319
Selling and distribution expenses		(6,058,987)	(5,553,749)
Administrative expenses		(10,547,381)	(12,154,586)
Impairment of subsidiaries	11	<u>(35,399,404)</u>	-
Operating loss on ordinary activities	3	(46,356,048)	(14,575,016)
Finance costs		(7,769)	(17,584)
Dividend income		21,869,100	-
Loss on ordinary activities before taxation		<u>(24,494,717)</u>	<u>(14,592,600)</u>
Tax credit	4	<u>1,795,860</u>	<u>2,708,387</u>
Loss for the year being total comprehensive loss for the year		<u><u>(22,698,857)</u></u>	<u><u>(11,884,213)</u></u>

All the activities of the company relate to continuing operations.

The notes on pages 12 to 19 form part of these financial statements.

**LexisNexis Risk Solutions UK Limited**  
**Statement of Financial Position**  
**Year ended 31 December 2019**

	Notes	2019 £	2018 £
<b>Fixed assets</b>			
Intangible assets	8	7,579	188,434
Tangible assets	9	5,082,099	5,191,480
Right of use assets	10	102,107	302,266
Investment in subsidiaries	11	<u>107,113,434</u>	<u>139,446,840</u>
		<u>112,305,219</u>	<u>145,129,020</u>
<b>Debtors: amounts falling due within one year</b>			
	12	424,703,140	280,133,093
<b>Creditors: amounts falling due within one year</b>	13	<u>(596,793,276)</u>	<u>(462,358,707)</u>
<b>Net current liabilities</b>		<u>(172,090,136)</u>	<u>(182,225,614)</u>
<b>Deferred tax asset</b>			
	15	-	111,271
<b>Creditors: amounts falling due after more than one year</b>	14	-	<u>(100,737)</u>
<b>Net liabilities</b>		<u>(59,784,917)</u>	<u>(37,086,060)</u>
<b>Capital and reserves</b>			
Share capital	16	1	1
Retained earnings		<u>(59,784,918)</u>	<u>(37,086,061)</u>
<b>Total Equity</b>		<u>(59,784,917)</u>	<u>(37,086,060)</u>

The notes on pages 12 to 19 form part of these financial statements.

These financial statements were approved by the board of directors and authorised for issue on 30 June 2020, and are signed on behalf of the board by:

DocuSigned by:

*Steve Elliot*

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S Elliot  
Director

30 June 2020

**LexisNexis Risk Solutions UK Limited**  
**Statement of Changes in Equity**  
**Year ended 31 December 2019**

	Share capital	Retained Earnings	Total equity
	£	£	£
Balance as at 1 January 2018	1	(25,201,848)	(25,201,847)
Total comprehensive loss for the year	-	(11,884,213)	(11,884,213)
<b>Balance as at 31 December 2018</b>	<b>1</b>	<b>(37,086,061)</b>	<b>(37,086,060)</b>
Total comprehensive loss for the year	-	(22,698,857)	(22,698,857)
<b>Balance as at 31 December 2019</b>	<b>1</b>	<b>(59,784,918)</b>	<b>(59,784,917)</b>

The notes on pages 12 to 19 form part of these financial statements.

## **LexisNexis Risk Solutions UK Limited**

### **Notes to the Financial Statements**

#### **Year ended 31 December 2019**

#### **1. Accounting policies**

The principal accounting policies are set out below and have been applied consistently throughout the current and preceding year.

##### **Compliance with FRS 101**

The company is incorporated as a private company limited by shares and domiciled in the United Kingdom under the Companies Act 2006. The address of the registered office is given on page 1.

These financial statements were prepared in accordance with Financial Reporting Standard 101 "Reduced Disclosure Framework" (FRS 101) and in accordance with applicable accounting standards.

The company's financial statements are presented in Sterling and all values are rounded to the nearest pound.

##### **Basis of preparation**

The company has taken advantage of the following disclosure exemptions available under FRS 101:

- the requirements of IAS27 consolidation in parent statements
- the requirements of IFRS 7 Financial Instruments: Disclosures;
- the requirement in paragraph 38 of IAS 1 Presentation of Financial Statements to present comparative information in respect of: (i) paragraph 79(a)(iv) of IAS 1; (ii) paragraph 73(e) of IAS 16 Property, Plant and Equipment;
- the requirements of paragraphs 10(d), 10(f), 39(c) and 134-136 of IAS 1;
- the requirements of IAS 7 Statement of Cash Flows;
- the requirement of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors;
- the requirement of paragraph 17 of IAS 24 Related Party Disclosures;
- the requirements in IAS 24 to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member; and,
- the requirements of paragraphs 130(f)(ii), 130(f)(iii), 134(d)-134(f) and 135(c)-135(e) of IAS 36 Impairment of Assets;
- the requirements of the second sentence of paragraph 110 and paragraphs 113(a), 114, 115, 118, 119(a) to (c), 120 to 127 and 129 of IFRS 15 Revenue from Contracts with Customers;
- the requirements of paragraph 52, the second sentence of paragraph 89, and paragraphs 90, 91 and 93 of IFRS 16 Leases.

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 17.

##### **Exemption from preparation of consolidated financial statements**

The financial statements contain information about Lexis Nexis Risk Solutions UK Limited as an individual company and do not contain consolidated financial information as the parent of a group. The Company has taken advantage of the exemption conferred by s401 of the Companies Act 2006 not to produce consolidated financial statements as it is included in the consolidated accounts of a larger group.

The principal accounting policies adopted are set out below.

##### **Going Concern**

Management has assessed the relevant factors surrounding going concern, including financial projections and financing available from other companies in the RELX group if required, and considers the basis of accounting preparation appropriate. As the Company has net current liabilities, the directors of LexisNexis Risk Solutions UK Limited have received written confirmation that RELX Group plc, a direct subsidiary of the ultimate parent company, is prepared and able to support the company as necessary for a minimum of 12 months. When assessing this support, the directors of LexisNexis Risk Solutions UK Limited have considered the sought assurances from the RELX Group plc on its anticipated trading performance and liquidity, a direct subsidiary of the ultimate parent company.

The directors of LexisNexis Risk Solutions UK 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 current level of subscriptions, anticipated future subscription renewals, anticipated transaction-based revenues, the ongoing collectability of revenue from customers and cashflow forecasts taking into account facilities available and support from RELX Group plc, if required. As such, the directors of LexisNexis Risk Solutions UK Limited continue to adopt the going concern basis in preparing the financial statements.

##### **Translation of foreign currencies into sterling**

Transactions in foreign currencies are recorded at the exchange rates ruling at the transaction date. Monetary assets and liabilities are translated at rates ruling at the balance sheet dates or contracted rates where applicable. All gains and losses arising from the translation of foreign currencies are charged to the Statement of Comprehensive Income.

**LexisNexis Risk Solutions UK Limited**  
**Notes to the Financial Statements (continued)**  
**Year ended 31 December 2019**

**1. Accounting policies (continued)**

**Revenue Recognition**

Revenue arises from the provision of products and services under contracts with customers. In all cases, revenue is recognised to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

Revenue is stated at the transaction price, which includes allowance for anticipated discounts and returns and excludes customer sales taxes and other amounts to be collected on behalf of third parties.

Where the goods or services promised within a contract are distinct, they are identified as separate performance obligations and are accounted for separately.

Where separate performance obligations are identified, total revenue is allocated on the basis of relative stand-alone selling prices or management's best estimate of relative value where stand-alone selling prices do not exist. Management estimates may include a cost-plus method or comparable product approach, but must be supported by objective evidence. A "residual" method may be applied where it is not possible to derive a reliable management estimate for a specific component.

Revenue is recognised for the various categories as follows:

- Subscriptions-revenue comprises income derived from the periodic (including annual) distribution or update of a product. Subscription revenue is generally invoiced in advance and recognised systematically over the period of the subscription. Recognition is either (a) on a straight line basis where the transaction involves the transfer of goods and services to the customer in a consistent manner over a specific period of time; or (b) based on the value received by the customer where the goods and services are not delivered in a consistent manner.

- Transactional-revenue is recognised when control of the product is passed to the customer or the service has been performed.

**Taxation**

Tax expense comprises current and deferred tax. Current and deferred tax are charged or credited in the income statement except to the extent that the tax arises from a transaction or event which is recognised, in the same or a different period, outside the income statement (either in other comprehensive income, directly in equity, or through a business combination) in which case the tax appears in the same statement as the transaction that gave rise to it.

Current tax is the amount of corporate income taxes payable or recoverable based on the profit for the period as adjusted for items that are not taxable or not deductible, and is calculated using tax rates and laws that were enacted or substantively enacted at the date of the statement of financial position. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. Provisions are established where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the Statement of Financial Position. Deferred tax is calculated using tax rates and laws that have been enacted or substantively enacted at the end of the reporting period, and which are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax liabilities are generally recognised for all taxable temporary differences but not recognised for taxable temporary differences arising on investments in subsidiaries, associates and joint ventures where the reversal of the temporary difference can be controlled and it is probable that the difference will not reverse in the foreseeable future. Deferred tax liabilities are not recognised on temporary differences that arise from goodwill which is not deductible for tax purposes.

Deferred tax assets are recognised to the extent it is probable that taxable profits will be available against which the deductible temporary differences can be utilised, and are reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are not recognised in respect of temporary differences that arise on initial recognition of assets and liabilities acquired other than in a business combination. Deferred tax is not discounted.

**Intangible assets**

Internally generated intangible assets are stated in the Statement of Financial Position at the directly attributable cost of creation of the asset less accumulated amortisation and typically comprise software and systems development where an identifiable asset is created that is probable to generate future economic benefit. Internally generated intangible assets are amortised on a straight line basis over their useful lives of 5 years.

**LexisNexis Risk Solutions UK Limited**  
**Notes to the Financial Statements (continued)**  
**Year ended 31 December 2019**

**1. Accounting policies (continued)**

**Financial instruments**

Financial instruments comprise investments (other than investments in joint ventures or associates and investments in subsidiaries), trade receivables, cash and cash equivalents, payables and accruals, borrowings and derivative financial instruments.

Trade receivables are carried in the statement of financial position at invoiced value less allowance for estimated irrecoverable amounts. Irrecoverable amounts are estimated based on the ageing of trade receivables, experience and circumstance.

Borrowings and payables are recorded initially at fair value and subsequently carried at amortised cost.

**Tangible Assets**

Tangible fixed assets are stated at cost, net of depreciation and any provision for impairment.

Depreciation is provided on cost at the following annual rates on a straight-line basis intended to write off the assets over their estimated useful lives:

Computer equipment	3 years
IT equipment	3 to 5 years
Furniture and fittings	10 years

**Impairment of fixed assets**

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

**Investments**

Investments in joint ventures and associates are accounted for under the equity method and stated in the Statement of Financial Position at cost as adjusted for post-acquisition changes in share of net assets, less any impairment in value.

Investments in subsidiaries are stated at cost less any impairment in value.

**Leases**

All leases (with the exception of short term and low value leases) are recognised on the balance sheet. A lease liability is recognised based on the present value of the future lease payments, and a corresponding right of use asset is recognised. The right of use asset is depreciated over the shorter of the lease term or the useful life of the asset. Lease payments are apportioned between finance charges and reduction of the lease liability.

As noted above, low value items (US\$5,000 or less based on the value of the asset when new) and short term leases with a term of 12 months or less are not required to be recognised on the balance sheet and payments made in relation to these leases will be recognised on a straight-line basis in the income statement.

Property is the only class of leased assets held by the company.

**Pensions**

The company participates in two pension plans.

The RELX Pension Scheme (a defined benefit scheme) is administered on a RELX plc basis and total contributions are assessed by a qualified actuary, based on the cost of providing pensions across all participating RELX Group companies. Costs are not determined separately for each participating company, hence contributions are charged to the Statement of Comprehensive Income account in the period on the basis of amounts payable.

The RELX plc Group Personal Pension Plan (a defined contribution scheme) is administered on a RELX plc basis. The expense in respect of the plan is charged to the Statement of Comprehensive Income as incurred.



**LexisNexis Risk Solutions UK Limited**  
**Notes to the Financial Statements (continued)**  
**Year ended 31 December 2019**

**2. Revenue**

Revenue arises from:	2019 £	2018 £
Rendering of services	<u>14,023,323</u>	<u>9,449,571</u>

The whole of the turnover is attributable to the principal activity of the company wholly undertaken in the United Kingdom.

**3. Operating Loss being Loss on Ordinary Activities before Taxation**

Loss on ordinary activities before taxation is stated after charging the following:

	2019 £	2018 £
Wages and salaries (see note 5)	29,881,612	21,519,713
Social security costs (see note 5)	3,397,964	2,451,134
Other pension costs (See note 6)	<u>1,362,729</u>	<u>927,931</u>
Staff costs	<u>34,642,305</u>	24,898,778

The staff costs that relate to LexisNexis Risk Solutions UK are £12,275,199.

Depreciation of tangible fixed assets	2,302,191	2,000,991
Amortisation of intangible assets	180,855	461,583
Impairment of subsidiaries	35,399,404	-
Audit fees in respect of the audit of the financial statements*	22,500	21,250
(Gain)/Loss on foreign exchange	<u>(412,147)</u>	<u>145,391</u>

\*There were no non-audit services provided by the Auditor in either period.

**4. Tax****(a) Tax loss on ordinary activities**

The tax credit is made up as follows:

	2019 £	2018 £
<b>Current tax</b>		
UK corporation tax on the loss for the year	1,907,131	2,503,501
<b>Deferred Tax</b>		
Origination and reversal of timing differences	(112,862)	204,886
Other adjustments in respect of prior periods	1,591	-
<b>Total tax credit (note 4(b))</b>	<u>1,795,860</u>	<u>2,708,387</u>

**(b) Reconciliation of the total tax credit**

	2019 £	2018 £
Loss on ordinary activities before taxation	<u>(24,494,717)</u>	<u>(14,592,600)</u>
Tax credit calculated at UK standard rate of corporation tax of 19.00% (2018:19.00%)	4,653,996	2,772,595
Other adjustments in respect of prior periods	10,944	(6,995)
Effect of expenses not deductible for tax purposes	(2,596,966)	(40,164)
Deferred tax effect of changes in tax rates	13,277	(17,049)
Deferred tax not recognised	(285,391)	-
<b>Total tax credit for the year (note 4(a))</b>	<u>1,795,860</u>	<u>2,708,387</u>

The tax credit for the year differs from the standard rate of corporation tax in the UK of 19.00% (2018: 19.00%). During 2019, the company has de-recognised deferred tax asset relating to trade losses of £285,391 as there is insufficient evidence that the asset will be recognised in the foreseeable future.

**(c) Change in corporation tax rate**

The standard rate of Corporation Tax in the UK was 19% with effect from 1 April 2017. A further reduction to the Corporation Tax rate from 19% to 17% with effect from 1 April 2020 was enacted in September 2016, accordingly deferred tax assets and liabilities have been recognised at this rate. However, it was announced in March 2020 that the corporation tax rate will remain at 19% instead of reducing to 17%. It is expected that this will be enacted as part of the next Finance Act.

**LexisNexis Risk Solutions UK Limited**  
**Notes to the Financial Statements (continued)**  
**Year ended 31 December 2019**

**5. Personnel**

	2019 £	2018 £
Wages and salaries	29,881,612	21,519,713
Social security costs	3,397,964	2,451,134
Other pension costs (See note 6)	1,362,729	927,931
	<u>34,642,305</u>	<u>24,898,778</u>

The average monthly number of total employees (including employees and directors recharged to other RISK UK entities) during the year ended 31 December 2019 was 373 (144 Distribution, 82 Administration and 147 Cost of Sales) (2018: 349, being 131 Distribution, 78 Administration and 140 Cost of Sales).

The average monthly number of total Lexis Nexis Risk Solutions UK only employees (including directors) during the year ended 31 December 2019 was 137 (41 Distribution, 41 Administration and 55 Cost of Sales) (2018: 110, being 37 Distribution, 33 Administration and 40 Cost of Sales).

**6. Pension Scheme**

The company participates in the Reed Elsevier Pension Scheme, the main UK scheme. This scheme is of the defined benefit type providing benefits to certain employees within RELX plc, and its assets are held separately from the group's assets. The Reed Elsevier Pension Scheme actuaries are Towers Watson.

There is no contractual agreement or stated policy for charging the net defined benefit cost and, therefore, the ultimate parent company RELX plc, which is the scheme guarantor, recognises the whole of the scheme surplus or deficit in its financial statements. The pension cost for the company is therefore equal to the contributions paid during the year of £nil (2018: £0.00). Full disclosures of Reed Elsevier's pension schemes under International Financial Reporting Standards (IFRS) are given in the financial statements of RELX plc for the year ended 31 December 2019. The valuation of Reed Elsevier's pension assets and liabilities under IFRS is not significantly different from the valuation under FRS 17.

The company also participates in the RELX plc Group Personal Pension Plan, a defined contribution plan to which for 2019 the company contributed up to a maximum of 11% of basic salary. The charge for the year, recognised as incurred, was £1,362,729 (2018: £927,931).

**7. Directors' remuneration**

	2019 £	2018 £
Emoluments (including pension contributions made to a defined benefit pension scheme)	<u>780,826</u>	<u>666,624</u>
Highest paid directors remuneration		
Emoluments (including pension contributions made to a defined benefit pension scheme)	<u>597,278</u>	<u>335,662</u>
Numbers of Directors who:	Number	Number
Are members of a defined benefit pension scheme	<u>-</u>	<u>-</u>

The directors are also directors of other companies within the group, and, in the directors' opinion, it is not practicable to apportion their total remuneration between qualifying services to the company and services to the other companies in the group.

The above remuneration relates to 2 Directors who are paid remuneration through Lexis Nexis Risk Solutions UK Limited. The remuneration of other Directors in the company is borne by another group company.

**8. Intangible fixed assets**

	Internally generated intangible assets £
<b>Cost</b>	
At 1 January 2019	3,905,243
Additions	-
At 31 December 2019	<u>3,905,243</u>
<b>Amortisation</b>	
At 1 January 2019	(3,716,809)
Charge for the year	(180,855)
At 31 December 2019	<u>(3,897,664)</u>
<b>Net book value</b>	
At 31 December 2019	<u>7,579</u>
At 31 December 2018	<u>188,434</u>

Internally generated intangible assets have been capitalised in accordance with the measurement and recognition bases of IAS 38 Intangible Assets and are therefore not treated, for dividend purposes, as a realised loss.

**LexisNexis Risk Solutions UK Limited**  
**Notes to the Financial Statements (continued)**  
**Year ended 31 December 2019**

**9. Tangible fixed assets**

	Computer Equipment £	Furniture and Fittings £	IT Equipment £	Total £
<b>Cost</b>				
At 1 January 2019	481,764	172,515	9,804,150	10,458,429
Additions	201,905	-	2,012,875	2,214,780
Disposals	-	-	(19,981)	(19,981)
At 31 December 2019	<u>683,669</u>	<u>172,515</u>	<u>11,797,044</u>	<u>12,653,228</u>
<b>Depreciation</b>				
At 1 January 2019	(213,602)	(118,333)	(4,935,014)	(5,266,949)
Charge for the year	(115,907)	(23,890)	(2,162,394)	(2,302,191)
Disposals	-	-	(1,989)	(1,989)
At 31 December 2019	<u>(329,509)</u>	<u>(142,223)</u>	<u>(7,099,397)</u>	<u>(7,571,129)</u>
<b>Net book value</b>				
At 31 December 2019	<u>354,160</u>	<u>30,292</u>	<u>4,697,647</u>	<u>5,082,099</u>
At 31 December 2018	<u>268,162</u>	<u>54,182</u>	<u>4,869,136</u>	<u>5,191,480</u>

**10. Lease Arrangements**

All leases where the company is the lessee (with the exception of short term and low value leases) are recognised in the statement of financial position. A lease liability is recognised based on the present value of the future lease payments, and a corresponding right-of-use asset is recognised. The right-of-use asset is depreciated over the shorter of the lease term or the useful life of the asset. Lease payments are apportioned between finance charges and a reduction of the lease liability.

Low value items and short-term leases with a term of 12 months or less are not required to be recognised on the balance sheet and payments made in relation to these leases are recognised on a straight-line basis in the statement of comprehensive income.

The leases held by the company are categorised as property. The company leases properties, principally offices, which have varying terms and renewal rights that are typical to the territory in which they are located.

Movements in the right-of-use assets during the year were as follows:

Right of use assets	2019 £	As at 31 December 2018 £
At start of period	302,266	361,215
Depreciation	(111,593)	(58,949)
Early termination of lease contract	(88,566)	-
At end of period	<u>102,107</u>	<u>302,266</u>

As at 31 December 2019 the lease liability balances and split between current and non-current were as follows:

Lease liability	2019 £	As at 31 December 2018 £
<b>Current</b>		
Property	(100,737)	(263,798)
<b>Non-Current</b>		
Property	-	(100,737)
<b>Total</b>	<u>(100,737)</u>	<u>(364,535)</u>

Interest expense on the lease liabilities recognised within finance costs was £7,769 in the year to 31 December 2019 (2018: £17,584). The total cash outflow for leases was £137,255 (2018:£100,086).

**LexisNexis Risk Solutions UK Limited**  
**Notes to the Financial Statements (continued)**  
**Year ended 31 December 2019**

**11. Investment in subsidiaries**

	Investment in subsidiaries £
<b>Cost</b>	
At 1 January 2019	139,446,840
Additions	3,065,998
Impairment of subsidiaries	<u>(35,399,404)</u>
<b>At 31 December 2019</b>	<b><u>107,113,434</u></b>

The activity in the year relates to the acquisition of Symbiotic Technologies Operations Limited on 12th July 2019. As a result of Tracesmart Group Limited selling its subsidiaries Tracesmart Limited, Peopletracer Limited and Crediva Limited to LexisNexis Risk Solutions UK Limited on 1st December 2018, Tracesmart Group Limited and Peopletracer Limited were dissolved in 2019. On 2nd January 2019, Indicium Financial Limited sold its subsidiary Insurance Initiatives Limited to LexisNexis Risk Solutions UK which further simplified the corporate structure and allowed Indicium Financial Limited to be dissolved as a company in 2019. In 2019 the Wunelli acquired business was further integrated in to the broader LexisNexis Risk Solutions UK Limited business resulting in an impairment of the standalone legal entity.

Name of company	Class of Shares Held	Equity capital held		Principal activity
		2019	2018	
<b>United Kingdom</b>				
Tracesmart Limited Global Reach, Dunleavy Drive, Cardiff CF11 0SN	Ordinary	100%	100%	Data processing, hosting and related activities
Crediva Limited Global Reach, Dunleavy Drive, Cardiff CF11 0SN	Ordinary	100%	100%	Consumer credit reference provider
Wunelli Ltd 1000 Lakeside, Western Road, Portsmouth PO6 3EN	Ordinary	100%	100%	Data processing, hosting and related activities.
Symbiotic Technologies Operations Limited 80 Moorbridge Road, 1st Floor, Maidenhead, SL6 8BW	Ordinary	100%	0%	Data processing, hosting and related activities.
Insurance Initiatives Limited 35 - 37 St Mary's Gate, Nottingham NG1 1PU	Ordinary	100%	0%	Data processing, hosting and related activities.
Tracesmart Group Limited Global Reach, Dunleavy Drive, Cardiff CF11 0SN	Ordinary	0%	100%	Data processing, hosting and related activities.
Peopletracer Limited Global Reach, Dunleavy Drive, Cardiff CF11 0SN	Ordinary	0%	100%	Online people tracing
Indicium Financial Limited 35 - 37 St Mary's Gate, Nottingham NG1 1PU	Ordinary	0%	100%	Data processing, hosting and related activities.

In the opinion of the directors the value of the company's investments in its subsidiaries is not less than the amount at which they are stated in the statement of financial position.

**12. Debtors: amounts falling due within one year**

	2019	2018
	£	£
Trade debtors	5,404,737	2,770,858
Prepayments and accrued income	1,192,594	1,549,138
Amounts owed from group undertakings	416,198,678	273,309,596
Current tax asset	<u>1,907,131</u>	<u>2,503,501</u>
	<b><u>424,703,140</u></b>	<b><u>280,133,093</u></b>

The group undertakings balances are unsecured, repayable on demand and are interest free.

**LexisNexis Risk Solutions UK Limited**  
**Notes to the Financial Statements (continued)**  
**Year ended 31 December 2019**

**13. Creditors: amounts falling due within one year**

	2019	2018
	£	£
Trade creditors	2,397,972	178,775
Amounts owed to group undertakings	586,245,773	456,625,399
Lease liabilities	100,737	263,798
Accruals and deferred income	6,937,118	4,447,340
Social security and other taxes	1,111,676	843,395
	<u>596,793,276</u>	<u>462,358,707</u>

The group undertakings balances are unsecured, repayable on demand and are interest free.

On 1 May 2019 the lease termination was amended from 13th October 2023 to 13th October 2020.

The lease liabilities in 2018 therefore included £45,746 of loss recognised and an element of liability towards break payment due to early termination.

**14. Creditors: amounts falling due after more than one year**

	2019	2018
	£	£
Lease liabilities	-	100,737
	<u>-</u>	<u>100,737</u>

**15. Deferred tax**

	2019	2018
	£	£
Deferred tax asset is provided as follows:	-	111,271
	<u>-</u>	<u>111,271</u>

	2019	2018
	£	£
Deferred tax asset / (liability) at 1st January	111,271	(93,614)
Debited / (credited) to Statement of Comprehensive Income	(111,271)	204,885
Deferred tax asset at 31 December	<u>-</u>	<u>111,271</u>

**16. Called up share capital**

	2019	2018
	£	£
Called up and fully paid		
1 ordinary shares of £1 each	<u>1</u>	<u>1</u>

All the ordinary shares carry the same voting rights

**17. Ultimate parent company**

The company's immediate parent company is RELX (UK) Ltd and its ultimate parent undertaking and controlling entity is RELX plc, a company incorporated in the United Kingdom. The smallest and largest group into which the financial statements of the company for the year ended 31 December 2019 are consolidated is RELX Group plc. Copies of the consolidated financial statements of RELX plc may be obtained from its registered office at 1-3 Strand, London, WC2N 5JR.

**18. 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.