

**Company Registration No. 678540**

**Reed Exhibitions Limited**

**Report and Financial Statements**

**For the year ended 31 December 2015**



**Reed Exhibitions Limited**

**Report and financial statements 2015**

<b>Contents</b>	<b>Page</b>
<b>Officers and professional advisers</b>	<b>1</b>
<b>Strategic report</b>	<b>2</b>
<b>Directors' report</b>	<b>4</b>
<b>Directors' responsibility statement</b>	<b>6</b>
<b>Independent auditor's report</b>	<b>7</b>
<b>Statement of comprehensive income</b>	<b>9</b>
<b>Statement of financial position</b>	<b>10</b>
<b>Statement of changes in equity</b>	<b>11</b>
<b>Notes to the accounts</b>	<b>12</b>

**OFFICERS AND PROFESSIONAL ADVISERS**

**Directors**

M J Rusbridge (Chairman) resigned 31<sup>st</sup> December 2015

R C Rees

C L Cunningham

A T Fowles (resigned 31<sup>st</sup> March 2016)

R J N Mortimore

A D S Bowden

Kumsal Bayazit Besson (appointed 1 April 2016)

**Secretary**

J M Poole

**Registered Office**

Gateway House

28 The Quadrant

Richmond

Surrey

TW9 1DN

**Auditor**

Deloitte LLP

Chartered Accountants and Statutory Auditor

London, United Kingdom

## STRATEGIC REPORT

The directors of Reed Exhibitions Limited (the “Company”) present their strategic report for the year ended 31 December 2015.

The Company is a wholly owned subsidiary of RELX Group plc (the “Group”), and forms part of the exhibitions division.

### BUSINESS REVIEW

The Company's principal activity during the year was organising international events which are relevant to industry needs. The events encompass a range of sectors. They include cosmetics, energy and alternative energy, jewellery, transport and travel.

The Company has continued to perform well in unsettled economic conditions in some markets and the directors believe the Company is well placed to benefit from economic recovery. Active portfolio management is key to delivering growth through new show launches, acquisitions and organic growth.

During the year the Company acquired Legend Exhibitions Limited, the company owns rights to leading retail technology events, summits and online content platforms. The acquisition is reflected in investments in subsidiaries in note 15.

The Company continues to recognise technology and analytics as a core enabler and is committed to plans for an integrated IT architecture to ensure functionally rich platforms to meet the business needs, into the future. Capital expenditure was £21m (2014: £23m), including £20m (2014: £22m) in respect of capitalised development costs. This reflects the investment in the IT enterprise architecture and related infrastructure.

The Company organised 22 shows worldwide (2014: 21), employing 456 staff (2014: 418).

As shown in the Company's income statement on page 9, turnover has increased by 1% and Gross profit increased by 3%. Year-on-year growth is affected by certain events which are on a biennial basis and also by the effects of changes in foreign exchange rates. Markets remain stable but subdued, limiting the scope for revenue and profit growth.

The Company provides management services to Group companies in the exhibition division, generating management fee income of £15,063,988 (2014: £28,577,417).

The Company's financial position at the end of the year showed net assets of £17,410,283 (2014: £60,931,625). The movement in net assets is due to the increased intercompany balance relating to the dividend payable to RELX Group plc in the year.

The strategies of the businesses of the Group are determined on a divisional basis. For this reason, the Company's directors believe that further 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 exhibitions division of the Group, which includes this Company, is discussed in the Group Annual Report and Financial Statements 2015 (available on [www.relx.com](http://www.relx.com)) which does not form part of this report.

### 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. The major risks identified include: general economic and market conditions; changes in law and legal interpretations affecting our intellectual property rights; the availability of third party content and data; demand for our products and services; competitive factors in the industry in which the Company operates; the realisation of anticipated benefits from acquisitions; technology failure, data security; supply chain dependencies and availability of appropriately skilled talent; breach of generally accepted ethical business standards and failure to manage our environmental impact.

The Company takes out forward exchange contracts with Elsevier Finance SA, which forms part of the group, to match the anticipated timing of foreign currency payments and receipts. Forward exchange contracts are not entered into on a speculative basis. The Company is financed by other companies in the Group and has no third party debt. It therefore has no material interest rate exposure.

The major strategic risks facing the Company are considered by the Board. Litigation and other legal and regulatory matters are managed by legal directors.

## STRATEGIC REPORT

Important specific risks affecting the Group are discussed in the RELX Group Annual Reports and Financial Statements 2015 (available on [www.relx.com](http://www.relx.com)) which does not form part of this report.

The Strategic Report has been approved by the Board.

By Order of the Board  
28 The Quadrant  
Richmond  
Surrey, TW9 1DN



J M Poole  
Secretary

15 September 2016

## 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 2015.

### Trading results and dividends

The profit on ordinary activities before taxation for the year was £4,301,632 (2014: £8,867,883), including £8,600,000 (2014: nil) of dividends received from the accumulated reserves of a subsidiary. The profit on ordinary activities after tax for the financial year was £4,422,963 (2014: £9,408,075). The retained profit of £4,422,963 (2014: 9,408,075) has been taken to reserves. During the year the Company paid dividends of £50,000,000 (2014: nil).

### Future developments and events after the balance sheet date

Details of future developments and events that have occurred after the balance sheet date can be found in the Strategic Report on page 2 and form part of this report by cross-reference.

### 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 RELX Group plc Save as You Earn Share Option Scheme enables employees to participate in the future prosperity of the Company. 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.

### Environmental policy

The Company is aware of its environmental responsibilities and is developing strategies to minimise waste and maximise recycling. These policies cover not only the office environment, but also recycling of materials after events have closed.

### Going concern

The directors have considered the funding requirements for a period of not less than twelve months and have received a letter of support from the ultimate parent company confirming that support will be provided to ensure the Company can meet its liabilities as they fall due. On this basis the directors have a reasonable expectation that the Company can continue in operational existence for the foreseeable future and they can therefore continue to adopt the going concern basis in preparing the annual report and accounts.

### 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.

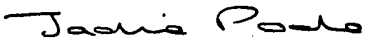
This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Deloitte LLP were appointed as the auditor for the Company for the 2015 financial year.

**DIRECTORS' REPORT**

In 2015, the Audit Committees of RELX PLC and RELX NV in conjunction with the Audit Committee of the ultimate parent entity RELX Group plc, held a competitive audit tender process for rotation of the Group audit firm in respect of the 2016 financial year. Following the conclusion of the audit tender process, the Audit Committees recommended to the Board of the ultimate parent company that resolutions be proposed for the appointment of Ernst & Young LLP as external auditors for the 2016 financial year. The resolution was passed at the Annual General Meeting.

By Order of the Board  
28 The Quadrant, Richmond  
Surrey, TW9 1D+N

  
.....  
J M Poole  
Secretary

15 September 2016

**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. More detail is given in Note 1 to the financial statements.

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 REED EXHIBITIONS LIMITED**

We have audited the financial statements of the Company for the year ended 31 December 2015 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity, and the related notes 1 to 27. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 101 "Reduced Disclosure Framework".

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.

**Respective responsibilities of directors and auditors**

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

**Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

**Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the Company's affairs as at 31 December 2015 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including FRS 101 "Reduced Disclosure Framework"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**Opinion on other matter 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 the Directors' Report have been prepared in accordance with applicable legal requirements.

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 any material misstatements in the Strategic Report and the Directors' Report.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF REED EXHIBITIONS LIMITED**

**Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where 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.

*Gareth Roberts*

Gareth Roberts  
for and on behalf of Deloitte LLP  
Chartered Accountants and Statutory Auditor  
London, United Kingdom

*15 September* 2016

**STATEMENT OF COMPREHENSIVE INCOME**  
For the year ended 31 December 2015

	Note	2015 £	2014 £
Revenue	2	96,937,204	95,639,341
Cost of sales		(24,526,541)	(25,490,359)
Gross profit		72,410,663	70,148,982
Selling and distribution costs		(22,242,731)	(21,953,610)
Administrative expenses		(67,798,718)	(68,655,219)
Other operating income	4	15,063,988	28,577,417
Income from shares in group undertakings		8,600,000	-
<b>Operating profit</b>	3	<b>6,033,202</b>	<b>8,117,570</b>
Finance income	5	-	404,521
Finance costs	6	(1,731,570)	-
Net finance costs/income		4,301,632	8,522,091
Disposals and other non- operating items	7	-	345,792
<b>Profit before tax</b>		<b>4,301,632</b>	<b>8,867,883</b>
Tax expense	8	121,331	540,192
<b>Net profit for the year</b>		<b>4,422,963</b>	<b>9,408,075</b>

All results relate to continuing operations.

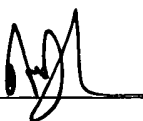
The notes on pages 12 to 30 form part of these accounts.

**STATEMENT OF FINANCIAL POSITION**  
As at 31 December 2015

	Note	2015 £	2014 £
<b>Non-current assets</b>			
Intangible assets	13	64,858,719	52,233,519
Property plant and equipment	14	1,599,081	1,917,508
Investments in subsidiary undertakings	15	36,446,771	24,552,546
Other Investments	16	412,208	412,208
		<u>103,316,779</u>	<u>79,115,781</u>
<b>Current assets</b>			
Trade and other receivables	17	24,717,404	36,707,087
Cash and cash equivalents		23,480,771	23,558,225
		<u>48,198,175</u>	<u>60,265,312</u>
<b>Total assets</b>		<u>151,514,954</u>	<u>139,381,093</u>
<b>Current liabilities</b>			
Trade and other payables	18	(133,934,906)	(78,279,703)
<b>Non-current liabilities</b>			
Creditors: amounts falling due after more than one year	18	(169,765)	(169,765)
<b>Net assets</b>		<u>17,410,283</u>	<u>60,931,625</u>
<b>Capital and reserves</b>			
Share capital	21	538,760	538,760
Share premium	21	8,034,840	8,034,840
Profit and loss account	21	8,836,683	52,358,025
<b>Total equity</b>	21	<u>17,410,283</u>	<u>60,931,625</u>

The notes on pages 12 to 30 form part of these accounts.

The financial statements of Reed Exhibitions Limited, registered number 678540, were approved by the Board of Directors and authorised for issue on 15<sup>th</sup> September 2016. They were signed on its behalf by:

  
\_\_\_\_\_  
A Bowden  
Director

**STATEMENT OF CHANGES IN EQUITY**  
**As at 31 December 2015**

	Note	Share capital £	Share premium £	Other reserves £	Total equity £'000
Balance at 1 January 2014		538,760	8,034,840	40,052,456	48,626,056
Changes in accounting policy	26	—	—	1,183,483	1,183,483
Balance at 1 January 2014		538,760	8,034,840	41,235,939	49,809,539
Profit for the year		—	—	9,408,075	9,408,075
Share based remuneration reserve (net of tax)		—	—	1,714,011	1,714,011
Balance at 1 January 2015		538,760	8,034,840	52,358,025	60,931,625
Profit for the year		—	—	4,422,963	4,422,963
Dividends paid		—	—	(50,000,000)	(50,000,000)
Share based remuneration reserve (net of tax)		—	—	1,502,060	1,502,060
Credit to equity for equity settled shared-based remuneration				553,635	553,635
<b>Balance at 31 December 2015</b>		<b>538,760</b>	<b>8,034,840</b>	<b>8,836,683</b>	<b>17,410,283</b>

**NOTES TO THE ACCOUNTS**  
**For the year ended 31 December 2015**

**1. Accounting policies**

**Basis of preparation**

Reed Exhibitions Limited (the “Company”) is a company incorporated in England and Wales 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 pages 2 to 3.

The Company meets the definition of a qualifying entity under FRS 100 (Financial Reporting Standard 100) issued by the Financial Reporting Council. Accordingly, in the year ended 31 December 2015 the Company has changed its accounting framework from UK GAAP to FRS 101 as issued by the Financial Reporting Council and has, in doing so, applied the requirements of IFRS 1.6-33 and related appendices. These financial statements were prepared in accordance with FRS 101 (Financial Reporting Standard 101) ‘Reduced Disclosure Framework’ as issued by the Financial Reporting Council, incorporating the Amendments to FRS 101 issued by the FRC in July 2015 and the amendments to Company law made by The Companies, Partnerships and Groups (Accounts and Reports) Regulations 2015 prior to their mandatory effective date of accounting periods beginning on or after 1 January 2016. The prior year financial statements were re-stated for material adjustments on adoption of FRS 101 in the current year. For more information see note 26.

The financial statements have been prepared on the historical cost basis, except for the revaluation of certain properties, financial instruments and investment property that are measured at revalued amounts or fair values at the end of each reporting period, as explained in the accounting policies below.

The Company’s financial statements are presented in sterling and all values are rounded to the nearest pounds.

As permitted by FRS 101, the Company has taken advantage of the disclosure exemptions available under that standard in relation to, share based payments, financial instruments and presentation of a cash-flow statement.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement purposes in these financial statements is determined on such a basis, except for share based payment transactions that are within the scope of IFRS 2, leasing transactions that are within the scope of IAS 17, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in IAS 2 or value in use in IAS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The principal accounting policies adopted are set out below.

**Going concern**

The business activities, together with the factors surrounding going concern are set out in the strategic report. Management has assessed the relevant factors and considers the basis of accounting preparation appropriate. The directors have received written confirmation that the ultimate parent company of this entity 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. Consequently, the directors have concluded that it is appropriate to prepare these accounts on a going concern basis.

**NOTES TO THE ACCOUNTS**  
**For the year ended 31 December 2015**

**Translation of foreign currencies into sterling**

Profit and loss items are translated at the exchange rates ruling at 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 profit and loss account.

**Revenue**

Revenue represents the value of exhibition services sold and is recognised on occurrence of the event, excluding customer sales taxes.

**Share based remuneration**

The fair value of share based remuneration is determined at the date of grant and recognised as an expense in the profit and loss account on a straight line basis over the vesting period, taking account of the estimated number of shares that are expected to vest. Market based performance criteria are taken into account when determining the fair value at the date of grant. Non-market based performance criteria are taken into account when estimating the number of shares expected to vest. The fair value of share based remuneration is determined by use of a binomial or Monte Carlo simulation model as appropriate. The Company's share based remuneration is equity settled by the ultimate holding companies, RELX PLC and RELX NV, and is accounted for as if equity settled by the Company.

**Deferred expenditure**

The amount included in debtors for deferred expenditure represents expenses incurred on future events.

**Deferred income**

The amount included in creditors for deferred income represents cash received on future events.

**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.

**NOTES TO THE ACCOUNTS**  
**For the year ended 31 December 2015**

**Interest receivable/payable**

All interest receivable/payable is recognised on an accruals basis.

**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.

Borrowings and payables are recorded initially at fair value and subsequently carried at amortised cost other than fixed rate borrowings in designated hedging relationships for which the carrying amount of the hedged portion of the borrowings is subsequently adjusted for the gain or loss attributable to the hedged risk.

Derivative financial instruments are used to hedge foreign exchange risks. Where an effective hedge is in place against changes in the fair value of fixed rate borrowings, the hedged borrowings are adjusted for changes in fair value attributable to the risk being hedged with a corresponding income or expense included in the income statement within finance costs. The offsetting gains or losses from remeasuring the fair value of the related derivatives are also recognised in the income statement within finance costs. When the related derivative expires, is sold or terminated, or no longer qualifies for hedge accounting, the cumulative change in fair value of the hedged borrowing is amortised in the income statement over the period to maturity of the borrowing using the effective interest method.

Changes in the fair value of derivative financial instruments that are designated and effective as hedges of future cash flows are recognised (net of tax) directly in equity in the hedge reserve. If a hedged firm commitment or forecasted transaction results in the recognition of a non-financial asset or liability, then, at the time that the asset or liability is recognised, the associated gains or losses on the derivative that had previously been recognised in equity are included in the initial measurement of the asset or liability. For hedges that do not result in the recognition of an asset or a liability, amounts deferred in equity are recognised in the income statement in the same period in which the hedged item affects net profit or loss. Any ineffective portion of hedges is recognised immediately in the income statement.

Cash flow hedge accounting is discontinued when a hedging instrument expires or is sold, terminated or exercised, or no longer qualifies for hedge accounting. At that time, any cumulative gain or loss on the hedging instrument recognised in equity is either retained in equity until the firm commitment or forecasted transaction occurs, or, where a hedged transaction is no longer expected to occur, is immediately credited or expensed in the income statement.

Derivative financial instruments that are not designated as hedging instruments are classified as held for trading and recorded in the statement of financial position at fair value, with changes in fair value recognised in the income statement.

The fair values of forward foreign exchange contracts represent the replacement costs calculated using observable market rates of exchange.

**Goodwill and intangible assets**

On the acquisition of a business, the purchase consideration is allocated between the net tangible and intangible assets on a fair value basis, with any excess purchase consideration representing goodwill. Goodwill arising on acquisition also includes amounts corresponding to deferred tax liabilities recognised in respect of acquired intangible assets.

Intangible assets are stated in the balance sheet at their fair value as at the acquisition date, less accumulated amortisation and impairment losses. Intangible assets comprise publishing rights and event and product titles, databases and other intangible assets. Acquired intangible assets with finite useful lives are amortised systematically over their estimated useful lives, up to a maximum of 20 years. Intangible assets are reviewed for impairment at least annually, and any impairment losses are immediately charged to the profit and loss account.

Internally generated intangible assets are stated in the balance sheet 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.



## NOTES TO THE ACCOUNTS

### For the year ended 31 December 2015

Internally generated intangible assets with a finite useful life are amortised systematically over their estimated useful lives between 3 to 5 years.

Goodwill is stated in the balance sheet at its fair value as at the acquisition date and is reviewed for impairment at least annually with any impairment losses immediately charged to the profit and loss account.

The Company has used a true and fair view override in respect of the non-amortisation of goodwill. The UK Companies Act requires goodwill to be reduced by provisions for depreciation on a systematic basis over a period chosen by the directors, its useful economic life. However, under IFRS 3 Business Combinations goodwill is not amortised. Consequently, the Company does not amortise goodwill, but reviews it for impairment on an annual basis or whenever there are indicators of impairment. The Company is therefore invoking a 'true and fair view override' to overcome the prohibition on the non-amortisation of goodwill in the Companies Act. The Company is not able to reliably estimate the impact on the financial statements of the true and fair override on the basis that the useful life of goodwill cannot be predicted with a satisfactory level of reliability, nor can the pattern in which goodwill diminishes be known.

#### **Property, plant and equipment**

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:

Buildings	Over the unexpired lease term
Plant and equipment	10% to 33%

Short leasehold property and improvements are amortised over the period of the lease.

#### **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 provision for impairment in value, where appropriate.

#### **Leases**

Operating lease rentals are charged to the profit and loss account on a straight line basis over the period of the lease.

#### **Pensions**

The Company maintains two pension schemes. A defined contribution scheme held and administered by Zurich, which is open to all new employees and a defined benefit scheme.

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

#### **Critical accounting judgements and key sources of estimation uncertainty**

The most significant accounting policies in determining the financial condition and results of the Company, and those requiring the most subjective or complex judgement, relate to the:

##### *Development spend*

Development spend embraces investment in new initiatives, ranging from the building of online delivery platforms, to launch costs of new services, to building new infrastructure applications. Launch costs and other ongoing operating expenses of new products and services are expensed as incurred. The costs of building product applications, platforms and infrastructure are capitalised as intangible assets, where the investment they represent has demonstrable value and the technical and commercial feasibility is assured. Costs eligible for capitalisation must be incremental, clearly identified and directly attributable to a particular project. The resulting assets are amortised over their estimated useful lives. Impairment reviews are carried out at least annually. Judgement is required in the assessment of the potential value of a development project, the identification of costs eligible for capitalisation and the selection of appropriate asset lives.

**NOTES TO THE ACCOUNTS**  
**For the year ended 31 December 2015**

*Taxation*

Estimation of income taxes includes assessments of the recoverability of deferred tax assets. Deferred tax assets are only recognised to the extent that they are considered recoverable based on existing tax laws and forecasts of future taxable profits against which the underlying tax deductions can be utilised. The recoverability of these assets is reassessed at the end of each reporting period, and changes in recognition of deferred tax assets will affect the tax liability in the period of that reassessment.

*Other significant accounting policies*

The accounting policies in respect of revenue recognition are also significant in determining the financial condition and results of RELX (UK) Limited, although the application of these policies is more straightforward.

**Standards and amendments effective for the year**

The interpretations and amendments to IFRS effective for 2015 have not had a significant impact on the accounting policies or reporting.

**2. Revenue**

	2015 £	2014 £
Analysis of revenue by geographical market:		
United Kingdom	36,822,985	38,904,554
Europe	44,449,717	41,624,272
Rest of world	15,664,502	15,110,515
	<u>96,937,204</u>	<u>95,639,341</u>

**3. Operating profit**

	2015 £	2014 £
<u>Operating profit is stated after charging the following:</u>		
Depreciation of property, plant and equipment (note 14)	996,244	1,087,300
Impairment of intangible assets (note 13)	1,027,447	1,895,561
Amortisation of intangible assets (note 13)	6,785,741	10,813,376
Foreign exchange (gains)	(275,085)	(144,643)
Auditor's remuneration – audit	87,209	83,611
Other operating lease rentals - land and buildings	1,554,920	1,521,706
- plant and machinery	73,780	113,505

Auditor's remuneration for audit services comprises £87,209 (2014: £83,611) payable to the auditor for the audit of the financial statements, including the review and testing of internal controls over financial reporting

**4. Other operating income**

	2015 £	2014 £
Other operating income comprises:		
Management service fee income	<u>15,063,988</u>	<u>28,577,417</u>

**5. Net finance income**

	2015 £	2014 £
Forward exchange gain on forward contracts	-	404,521
<b>Finance income</b>	<u>-</u>	<u>404,521</u>

**NOTES TO THE ACCOUNTS**  
**For the year ended 31 December 2015**

**6. Net finance costs**

	2015 £	2014 £
Forward exchange loss on forward contracts	(1,731,570)	-
<b>Finance costs</b>	<b>(1,731,570)</b>	<b>-</b>
<b>Net finance (costs)/income</b>	<b>(1,731,570)</b>	<b>404,521</b>

**7. Disposals and other non-operating items**

Gain on disposals for 2015 was nil (2014: £345,792). The gain in 2014 relates to the sale of certain trademarks.

**8. Taxation**

	2015 £	2014 £
Current tax	268,897	(78,575)
Deferred tax	(390,228)	(461,617)
<b>Tax expense</b>	<b>(121,331)</b>	<b>(540,192)</b>

Cash tax paid in the year was £2,001,644 (2014: £nil), which is different to the tax expense for the year set out above.

There are a number of reasons why the cash tax payments in a particular year will be different from the tax expense in the accounts:

Deferred tax:

- Tax expense includes deferred tax, which is an accounting adjustment arising from temporary differences;
- Temporary differences occur when an item has to be included in the income statement in one year but is taxed in another year; and

Timing differences:

- Tax payments relating to a particular year's profits are typically due partly in the year and partly in the following year.

Prior period adjustments:

- Current tax expense is the best estimate at the end of the period of cash tax expected to be paid; and
- To the extent the final liability is higher or lower than that estimate, any cash tax impact will occur in a later period.

Items recorded in equity and other comprehensive income:

- Some of the benefits of tax deductions related to share based payments, pensions and hedging are credited to equity or other comprehensive income rather than to tax expense, and so the cash tax liability will be lower than the current tax expense in years when those deductions are available.

The rate of UK corporation tax for the year is 20.25% (2014: 21.50%). Set out below is a reconciliation of the difference between tax expense for the period and the theoretical expense calculated by multiplying accounting profit by the applicable tax rate.

**NOTES TO THE ACCOUNTS**  
**For the year ended 31 December 2015**

	2015 £	2014 £
Profit on ordinary activities before taxation	4,301,632	8,463,362
Tax at applicable rate	871,080	1,819,623
Non-taxable dividend income	(1,741,500)	6,559
Expenses not deductible for tax purposes	218,157	953,271
Non-deductible costs or share based remuneration charges/(credits)	-	(240,060)
Other adjustments in respect of prior periods	121,148	(3,103,529)
Deferred tax effect of changes in tax rates	409,784	23,944
<b>Tax (credit)/expense</b>	<b>(121,331)</b>	<b>(540,192)</b>

A number of changes to the UK corporation tax system, including reductions of the main rate of corporation tax from 20% to 19% with effect from 1 April 2017, and from 19% to 18% with effect from 1 April 2020, were substantively enacted on 26 October 2015. The Group has measured its UK deferred tax assets and liabilities at the end of the reporting period at 18% (2014: 20%), which has resulted in recognition of a deferred tax credit of £309,325 in tax expense, and a charge of £361,580 directly in equity for the period.

The UK Government has also announced its intention to reduce the rate of corporation tax to 17% with effect from 1 April 2020, but, as this change had not been substantively enacted at the date of the statement of financial position, the effect on deferred tax has not been recognised in these financial statements. It is not currently anticipated that the proposed reduction in rate would have a significant impact on deferred tax balances.

There are no reconciling items relating to UK-UK intra-group transfer pricing adjustments in the tax reconciliation for 2015 as no intra-group payment will be made for losses claimed or surrendered relating to such amounts.

The following tax has been recognised directly in equity during the year:

	2015 £	2014 £
<b>Tax on items that may be reclassified to profit or loss</b>		
Tax on fair value movements on cash flow hedges	238,869	(80,904)
<b>Tax credit on share based remuneration recognised directly in equity</b>	<b>192,055</b>	<b>946,900</b>
	2015 £	2014 £
Deferred tax assets	4,260,654	4,232,003
<b>Total</b>	<b>4,260,654</b>	<b>4,232,003</b>

**NOTES TO THE ACCOUNTS**  
For the year ended 31 December 2015

	<b>Deferred tax assets</b>			
	<b>Share based payments £</b>	<b>Property, plant and equipment £</b>	<b>Financial derivative £'000</b>	<b>Total £'000</b>
Deferred tax asset at 1 January 2014	703,113	2,041,798	-	2,744,911
Change in accounting policy	641,104		(80,904)	560,201
(Charge)/credit to profit	26,446	516,075	-	542,521
(Charge)/credit to equity/other comprehensive income	384,371	-	-	384,371
Deferred tax asset at 1 January 2015	<b>1,755,034</b>	<b>2,557,873</b>	<b>(80,904)</b>	<b>4,232,003</b>
Credit/(charge) to profit	(108,238)	178,696	319,773	390,231
(Charge)/credit to equity/other comprehensive income	(361,580)	-	-	(361,580)
Exchange translation differences				
<b>Deferred tax (liability)/asset at 31 December 2015</b>	<b>1,285,216</b>	<b>2,736,569</b>	<b>238,869</b>	<b>4,260,654</b>

**9. Personnel**

	<b>2015 £</b>	<b>2014 £</b>
Staff costs (including directors):		
Wages and salaries	32,291,450	27,613,534
Social security costs	4,006,973	4,006,365
Other pension costs (note 11)	2,025,373	2,042,271
Share based and related remuneration (note 10)	1,863,640	1,714,011
	<b>40,187,436</b>	<b>35,376,181</b>

The average monthly number of employees (including directors) during the year ended 31 December 2015 was 456 (2014: 418).

**10. Share based remuneration**

The Company's directors and employees participate in a number of RELX Group plc share based remuneration schemes. The principal share based remuneration schemes are the Executive Share Option Schemes (ESOS), the Long Term Incentive Plan (LTIP), the Retention Share Plan (RSP), the Bonus Investment Plan (BIP) and the Save as You Earn scheme (SAYE). The last and final tranche of awards under the Reed Elsevier Growth Plan (REGP) was made in 2013 which vested in 2015. No further awards are outstanding under this plan. Share options granted under ESOS are exercisable after three years and up to 10 years from the date of grant at a price equivalent to the market value of the respective shares at the date of grant. Conditional shares granted under LTIP, RSP and BIP are exercisable after three years for nil consideration if conditions are met.

Share based remuneration awards are, other than upon retirement or in exceptional circumstances, subject to the condition that the employee remains in employment at the time of exercise.

Conditional shares granted under LTIP, REGP, RSP and BIP between 2012 and 2015 are subject to the achievement of growth targets of RELX PLC and RELX NV adjusted earnings per share measured at constant exchange rates as well as the achievement of a targeted percentage return on invested capital of RELX PLC and RELX NV. LTIP grants between 2012 and 2015 and REGP grants in 2013 are also variable subject to the achievement of a total shareholder return performance target.

**NOTES TO THE ACCOUNTS**  
**For the year ended 31 December 2015**

The weighted average fair value per award is based on full vesting on achievement of non-market related performance conditions and stochastic models for market-related components. The conditional shares and option awards are recognised in the income statement over the vesting period, being between three and five years, on the basis of expected performance against the non-market-related conditions, with the fair value related to market-related components unchanging. Further details of performance conditions are given in the RELX Group plc Annual Reports and Financial Statements 2015.

Comparative share based remuneration numbers have been adjusted retrospectively to reflect the RELX NV share bonus issue declared on 30 June 2015. Further details of the bonus issue are given in the RELX Group plc Annual Reports and Financial Statements 2015.

The weighted average share price at the date of exercise of share options and vesting of conditional shares during 2015 was 11.18p (2014: 885p) for RELX PLC ordinary shares and €14.50 (2014: €9.77) for RELX NV ordinary shares.

Range of exercise prices for outstanding share options	2015		2014	
	Number of shares under option '000	Weighted average remaining period until expiry (years)	Number of shares under option '000	Weighted average remaining period until expiry (years)
<b>RELX PLC ordinary shares (pence)</b>				
401-450	10	1.9	65	1.9
451-500	23	4.4	25	5.8
501-550	35	4.6	72	6.3
551-600	56	1.8	58	4.1
601-650	36	2.0	138	3.9
701-750	116	3.7	131	4.7
801-850	2	7.6	2	8.6
901-950	123	5.4	51	9.3
1151-1200	44	9.3	-	-
<b>Total</b>	<b>445</b>	<b>4.4</b>	<b>542</b>	<b>4.3</b>
<b>RELX NV ordinary shares (€)</b>				
5.01-6.00	41	5.0	76	6.4
6.01-7.00	5	3.1	6	4.1
7.01-8.00	54	2.1	166	1.6
8.01-9.00	29	7.4	29	8.4
9.01-10.00	9	1.1	10	2.1
10.01-11.00	52	8.3	56	9.3
15.01-16.00	46	9.3	-	-
<b>Total</b>	<b>236</b>	<b>6.0</b>	<b>343</b>	<b>4.5</b>

**NOTES TO THE ACCOUNTS**  
**For the year ended 31 December 2015**

**11. Pension schemes**

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

There is no contractual agreement or stated policy for charging the net defined benefit cost and, therefore, the ultimate parent company RELX Group plc, which is the scheme guarantor, recognises the whole of the scheme surplus or deficit in its financial statements. In accordance with IAS 19, the Company recognises a cost equal to its contribution payable for the period, which in the year ended 31 December 2015 was £1,332,160 (2014: £1,489,333).

Member funds for the defined contribution scheme are held and administered by Zurich. The total cost recognised in the operating profit for the period was £693,213 (2014: £504,790).

Further details of RELX Group's pension schemes are disclosed on pages 60-65 of the consolidated financial statements of the ultimate parent company.

**12. Directors' emoluments**

The emoluments of the directors were:

	2015 £	2014 £
Emoluments (including pension contributions made to defined contribution pension schemes but excluding awards under share option schemes and other long-term incentive schemes)	<b>3,052,651</b>	<b>2,919,088</b>

Highest paid director's remuneration:

Aggregate of emoluments and awards under the long-term incentive schemes

(including pension contributions made to defined contribution pension schemes but excluding share options and awards in the form of shares)	<b>3,256,343</b>	<b>1,061,522</b>
---	------------------	------------------

	2015 Number	2014 Number
of directors in office at 31 December who:		
- are members of a defined benefit pension scheme;	<b>6</b>	<b>7</b>
- exercised share options;	<b>5</b>	<b>6</b>

**NOTES TO THE ACCOUNTS**  
**For the year ended 31 December 2015**

**13. Intangible assets**

	Internally generated intangible assets £'000	Acquired intangible assets £'000	Total £'000
<b>Cost</b>			
At 1 January 2015	61,903,892	74,349,856	136,253,748
Additions	20,438,388	-	20,438,388
Disposals	(282,936)	-	(282,936)
<b>At 31 December 2015</b>	<b>82,059,344</b>	<b>74,349,856</b>	<b>156,409,200</b>
<b>Amortisation</b>			
At 1 January 2015	24,785,372	59,234,857	84,020,229
Charge for the year	6,613,836	171,905	6,785,741
Disposals	(282,936)	-	(282,936)
Impairment	1,027,447	-	1,027,447
<b>At 31 December 2015</b>	<b>32,143,719</b>	<b>59,406,762</b>	<b>91,550,481</b>
<b>Net book amount</b>			
<b>At 31 December 2015</b>	<b>49,915,625</b>	<b>14,943,094</b>	<b>64,858,719</b>
At 31 December 2014	37,118,520	15,114,999	52,233,519

Development costs 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.

The additions of £20,438,388 (2014: £22,561,588) shown in development costs, are assets in the course of construction and were not subject to depreciation in 2015.

The impairment loss of £1,027,447 (2014: £1,895,563) represents amounts written off the capitalised development costs of certain information technology projects.



**NOTES TO THE ACCOUNTS**  
**For the year ended 31 December 2015**

**14. Property, plant and equipment**

	Land and buildings £	Plant and equipment £	Total £
<b>Cost</b>			
At 1 January 2015	1,365,324	3,613,604	4,978,928
Additions	-	719,523	719,523
Disposals	-	(167,272)	(167,272)
<b>At 31 December 2015</b>	<b>1,365,324</b>	<b>4,165,855</b>	<b>5,531,179</b>
<b>Depreciation</b>			
At 1 January 2015	911,545	2,149,875	3,061,420
Charge for the year	136,533	859,711	996,244
Disposals	-	(125,566)	(125,566)
<b>At 31 December 2015</b>	<b>1,048,078</b>	<b>2,884,020</b>	<b>3,932,098</b>
<b>Net book amount</b>			
<b>At 31 December 2015</b>	<b>317,246</b>	<b>1,281,835</b>	<b>1,599,081</b>
At 31 December 2014	453,779	1,463,729	1,917,508

There were no fixed assets held under finance leases (2014: nil).

**15. Investments in subsidiary undertakings**

	Cost £	Provision for impairment £	Net book value £
At 1 January 2015	87,145,345	(62,592,799)	24,552,546
Additions	11,894,337	-	11,894,337
Disposals	(112)	-	(112)
<b>At 31 December 2015</b>	<b>99,039,570</b>	<b>(62,592,799)</b>	<b>36,446,771</b>

Refer to the supplementary information on pages 29 to 30 for the full list of subsidiary undertakings.

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.

**16. Other investments**

	Cost £	Provisions £	Net book value £
<u>Investment in joint ventures</u>			
At 1 January and 31 December 2015	1,532,247	(1,120,039)	412,208

**NOTES TO THE ACCOUNTS**  
**For the year ended 31 December 2015**

**17. Trade and other receivables**

	2015 £	2014 £
Trade receivables	51,657	192,121
Amounts owed by ultimate parent company and fellow subsidiary undertakings	4,198,997	17,367,551
Amounts owed by subsidiary undertakings	1,074,690	1,074,690
Amount owed by associated undertakings	22,333	1,643
Other receivables	1,937,404	1,634,145
Prepayments and accrued income	1,734,286	2,043,116
Deferred expenditure	6,779,581	4,621,286
Corporation tax	777,270	-
Deferred taxation (note 8)	4,260,654	4,232,003
	<u>20,836,872</u>	<u>31,166,555</u>
<b>Amounts falling due after more than one year</b>		
Amounts owed by ultimate parent company and fellow subsidiary undertakings	-	1,660,000
Amounts owed by subsidiary undertakings	3,880,532	3,880,532
	<u>3,880,532</u>	<u>5,540,532</u>
	<u>24,717,404</u>	<u>36,707,087</u>

**18. Trade and other payables**

	2015 £	2014 £
Bank overdraft	7,273,132	5,220,396
Trade creditors	5,493,319	6,461,910
Amounts owed to ultimate parent and fellow subsidiary undertakings	49,995,198	4,367,547
Amounts owed to subsidiary undertakings	15,551,982	17,156,897
Other creditors and accruals	24,115,531	15,420,413
Corporation tax payable	-	1,509,110
Social security costs	1,111,356	1,486,088
Deferred income	30,394,388	26,657,342
	<u>133,934,906</u>	<u>78,279,703</u>
<b>Amounts falling due after more than one year</b>		
Amounts owed to subsidiary undertakings	<u>169,765</u>	<u>169,765</u>

**NOTES TO THE ACCOUNTS**  
For the year ended 31 December 2015

**19. Financial instruments**

	Principal		Fair value
2015	2014	2015	2014
£	£	£	£
51,098,018	45,612,275	1,574,335	496,813

The Company uses forward foreign currency contracts to hedge currency exposure on the net income received in foreign currency and payments made in foreign currency on some events. The fair values of the liabilities held at fair value through the profit and loss at the balance sheet date are determined using market values of equivalent instruments.

**20. 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 2015	12,760	12,760	12,760	12,760
<i>Deferred shares of £1 each</i>	526,000	526,000	526,000	526,000
	<u>538,760</u>	<u>538,760</u>	<u>538,760</u>	<u>538,760</u>

The Deferred shares confer on the holders:

- \* no right to participate in any dividend declared by the Company;
- \* no right to receive notice of or to attend or vote at any General Meeting of the Company;
- \* no right to receive any allotment of any shares of the Company; and
- \* as to return of capital on a liquidation, reduction of capital or otherwise, the right to the amount paid up on such shares after the holders of the Ordinary shares have received the sum of £1,000,000 per Ordinary share of £1.

**21. Other reserves**

	Share capital	Share premium	Profit and loss account	Total	Total
	2015	2015	2015	2015	2014
	£	£	£	£	£'000
At start of year	538,760	8,034,840	52,358,025	60,931,625	49,809,539
Retained profit for the financial year	-	-	4,422,963	4,422,963	9,408,075
Dividends paid	-	-	(50,000,000)	(50,000,000)	-
Increase in share based remuneration reserve (net of tax)	-	-	1,502,060	1,502,060	1,714,011
Credit to equity for equity settled share-based remuneration	-	-	553,635	553,635	-
<b>At end of year</b>	<u>538,760</u>	<u>8,034,840</u>	<u>8,836,683</u>	<u>17,410,283</u>	<u>60,931,625</u>

**NOTES TO THE ACCOUNTS**  
**For the year ended 31 December 2015**

**22. Operating leases**

The annual commitments under non-cancellable leases are:

	2015 Land and buildings £	2014 Land and buildings £
Expiry of operating lease:		
<u>Land and buildings</u>		
Within one year	54,000	54,000
After five years	1,366,840	1,366,840
	<u>1,420,840</u>	<u>1,420,840</u>

At 31 December 2015 the Company was committed to making payments of £9,543,481 (£9,051,617) during the next year in respect of short-term tenancy rentals at exhibition halls.

**23. Consolidated group accounts**

The Company is not required to prepare consolidated group accounts under s400 of the Companies Act 2006 because its parent undertaking is established under the law of a member State of the European Union and the ultimate parent undertaking prepares consolidated group accounts. Accordingly these financial statements present information about this Company as an individual undertaking and not as a group.

**24. Ultimate parent company**

The Company's ultimate parent undertaking and controlling entity is RELX Group 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 2015 are consolidated is RELX Group plc. Copies of the consolidated accounts of RELX Group plc may be obtained from its registered office at 1-3 Strand, London, WC2N 5JR. RELX Group plc is jointly owned by RELX PLC (a company incorporated in England and Wales) and RELX NV (a company incorporated in the Netherlands).

**25. 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 Group plc. There were no other related party transactions in the current or prior year.

**26. Explanation of transition to FRS 101**

This is the first year that the Company has presented its financial statements under FRS 101 (Financial Reporting Standard 101) issued by the Financial Reporting Council. The following disclosures are required in the year of transition. The last financial statements under a previous GAAP were for the year ended 31 December 2014 and the date of transition to FRS 101 was therefore 1 January 2014.

Note	At 1 January 2014 £	At 31 December 2014 £
Equity reported under previous UK GAAP	48,087,296	59,448,294
<b>Adjustments to equity on transition to FRS 101</b>		
2 Share based payments – deferred tax	1,025,475	1,025,475
Deferred tax on financial derivatives	(80,904)	(80,904)
3 Current tax on share-based payments at fair value	(562,529)	(562,529)
3 Current tax on share-based payments at fair value – reserve	562,529	562,529
Equity reported under FRS 101	<u>49,031,867</u>	<u>60,392,865</u>

**NOTES TO THE ACCOUNTS**  
**For the year ended 31 December 2015**

**Reconciliation of total comprehensive income for the year ended 31 December 2014**

Total comprehensive income for the financial year under previous UK GAAP

	£
Equity reported under previous UK GAAP	9,646,987
<b>Adjustments to equity on transition to FRS 101</b>	
1 Derivatives	404,521
1 Derivative – deferred tax	(80,904)
3 Current tax on share-based payments at fair value	(562,529)
<b>Total comprehensive income for the financial year under FRS 101</b>	<b>9,408,075</b>

Notes to the reconciliation of equity and comprehensive income at 31 December 2014

- Forward foreign currency contracts are recorded on the balance sheet at fair value and accounted for as fair value through profit and loss. Under previous UK GAAP, these were recognised at contracted rates.
- Under UK GAAP a corporation tax deduction on share option exercises is recognised in full in the profit and loss account.

However, under IFRS 2 a corporation tax deduction on share option exercises is recognised in the profit and loss account only to the extent that the value of the deduction does not exceed the fair value charge of the option and excess deduction is recognised in equity. Therefore, 2014 numbers have been restated to reflect this change.

- Under IFRS 2 – *Share-based payment* a tax deduction on share option exercise is recognised in the profit and loss account only to the extent that the deduction does not exceed the fair value charge. Any excess deduction is recognised in equity. Under UK GAAP, the tax deduction was recognised in full in the profit and loss account.

**Taxation**

	At 1 January 2014 £	At 31 December 2014 £
Current tax	641,104	78,575
Deferred tax (Note 3)	542,521	461,617
<b>Tax expense</b>	<b>1,183,625</b>	<b>540,192</b>

**NOTES TO THE ACCOUNTS**  
**For the year ended 31 December 2015**

**Restated profit or loss for the year ended 31 December 2014**

	Note	At 31 December 2014 £
<b>Original tax expense</b>	3	1,183,625
Current tax on share-based payments at fair value		(562,529)
Deferred tax on financial derivative	1	(80,904)
<b>Restated tax expense</b>		<u><u>540,192</u></u>

**Restated Balance sheet for the year ended 31 December 2014**

	At 31 December 2014 previously reported £		At 31 December 2014 as restated £
Deferred taxation	3,287,432	944,571	4,232,003

**27. Related undertakings**

A full list of related undertakings (comprising subsidiaries, joint ventures, associates and other significant holdings) is set out below.

Interests are all in the form of ordinary shares unless otherwise noted.

All entities primarily operate in their country of incorporation.

Subsidiary undertakings at 31 December 2015

Name of company	Proportion of equity capital held
<b>United Kingdom</b>	
Associated Trade Exhibitions Consultants Ltd	100%
Avenue Exhibitions Ltd	100%
Avenue Publications Ltd	100%
B.E.D. Exhibitions Ltd	100%
Bluegrill Ltd	100%
BR Exhibitions Ltd	100%
Cahners Exposition Group (Maritime) Ltd	100%
Dew Events Ltd	100%
E&P Events LLP	100%
EIBTM Holdings Ltd	100%
The Emperor's Warriors Exhibitions Ltd	100%
Evan Steadman Communications Group Ltd	100%
Hallplaza Ltd	100%
ILTM Media Ltd	100%
Industrial & Trade Fairs Ltd	100%
Legend Exhibitions Ltd	100%
Microwave Exhibitions and Publishers Ltd	100%
Midem Ltd	100%

**NOTES TO THE ACCOUNTS**  
**For the year ended 31 December 2015**

<b>Name of company</b>	<b>Proportion of equity capital held</b>
Neptune Collections Ltd	100%
Offshore Europe (Management) Ltd	100%
Offshore Europe Partnership	100%
Reed Aerospace Exhibitions Ltd	100%
Reed All-Energy Ltd	100%
Reed Events Ltd	100%
Reed Exhibitions Personal Care Ltd	100%
Reed Midem Ltd	100%
Reed Shows Ltd	100%
RX Business Continuity Ltd	100%
RE (SEG) Ltd	100%
RE (SEL) Ltd	100%
RE (SOE) Ltd	100%
Storage Expo Limited	100%
TGP 48 Ltd	100%
<b>Republic of Korea</b>	
Reed K Fairs Limited	70%
Reed Exhibitions Korea Limited	100%