Company Registration No. 02826955

Butterworths Limited

Report and Financial Statements

31 December 2013
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Officers and professional advisers

Directors
H J P G Bottomley
C Fleck

Secretary
RIB Secretaries Limited

Registered Office
Lexis House
30 Farringdon Street
London EC4A 4HH

Auditor
Deloitte LLP
Chartered Accountants and Statutory Auditor
London
Strategic report

The directors present their strategic report for the year ended 31 December 2013.

Review of the business

The company acts as a service company providing a payroll service for Lexis Nexis Divisions. The directors do not anticipate any major changes in activity in the foreseeable future.

Results and performance

The results of the company for the year, as set out on pages 10 to 14, show a profit after taxation of £nil (2012: £nil). The shareholders’ funds of the company total £2 (2012: £2).

Butterworths Limited employed 1,018 people (2012: 1,099 people) the full cost is recharged over to various LexisNexis departments generating income of £73,482,664 (2012: £72,066,629). The staff complement includes part time staff, full time staff and directors across the various departments within LexisNexis.

Business environment

As the company acts as a service company to Lexis Nexis Divisions it will ultimately be influenced by the business environment in which those divisions operate. Employee levels will be driven by the needs of Lexis Nexis.

Strategy

The strategic view of the company is to continue to support the strategic needs of the Lexis Nexis divisions.

Key performance indicators ('KPIs')

As the company acts solely as a service company to Lexis Nexis divisions it was deemed not relevant to show any KPIs.

Principal risks and uncertainties

The key financial risk for the company is liquidity risk. This risk is mitigated by the intra-group nature of the debtor balances; the respective group companies are able to repay this debt if required.

The group is not exposed to any material credit, liquidity, price or currency risk as it is supported by its parent company. Management has assessed the relevant factors surrounding going concern and considers the basis of accounting preparation appropriate.

Future developments

Future developments will be tied into continuing to support the needs of Lexis Nexis divisions. No major changes are foreseen.

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

[Signature]

C Fleck
Director
28 May 2014
Directors’ report

The directors present their annual report and the audited financial statements for the year ended 31 December 2013.

Future developments
Likely future developments are discussed in the strategic report.

Dividends
The directors do not propose the payment of a dividend (2012: £nil).

Directors
The present membership of the Board that served throughout the year, except as noted, is set out on page 2.

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 became disabled, all practical measures are taken to ensure that disabled persons are placed in jobs suited to their individual circumstances.

Employee
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 the in-house emails, briefing groups and town halls.

Financial instruments and risk management
Financial instruments and risk management are discussed in the strategic report.

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.

A resolution to re-appoint Deloitte LLP as the Company’s auditor will be proposed at the forthcoming Annual General Meeting.
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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 judgments 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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company’s website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

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

[Signature]

C Fleck
Director
28th May 2014
Independent auditor’s report to the members of Butterworths Limited

We have audited the financial statements of Butterworths Limited for the year ended 31 December 2013 which comprise the profit and loss account, the balance sheet and the related notes 1 to 7. 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).

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 auditor

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 directors’ 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.
Independent auditor’s report to the members of Butterworths Limited

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company’s affairs as at 31 December 2013 and of its result 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.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors’ Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

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.

[Signature]

Kate J Houldsworth (Senior Statutory Auditor)
For and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
London, United Kingdom
30 May 2014
Independent auditor’s report to the members of Butterworths Limited

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- give a true and fair view of the state of the company’s affairs as at 31 December 2013 and of its result for the year then ended;
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- 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.

[Signature]

Kate J Houldsworth (Senior Statutory Auditor)
For and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
London, United Kingdom
30 May 2014
### Profit and loss account

For the year ended 31 December 2013

<table>
<thead>
<tr>
<th>Notes</th>
<th>2013 (£)</th>
<th>2012 (£)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Turnover</td>
<td>1</td>
<td>73,482,664</td>
</tr>
<tr>
<td>Operating expenses</td>
<td>2, 3</td>
<td>(73,482,664)</td>
</tr>
<tr>
<td><strong>Operating result and result on ordinary activities before and after taxation</strong></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

There are no recognised gains or losses or movements in shareholders’ funds in either the current or previous financial years other than as stated in the profit and loss account. Accordingly, no statement of total recognised gains and losses or reconciliation of movements in shareholders’ funds is required.

All transactions are derived from continuing operations.
## Balance Sheet

For the year ended 31 December 2013

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Notes</strong></td>
<td>£</td>
<td>£</td>
</tr>
<tr>
<td><strong>Current assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Debtors</td>
<td>5</td>
<td>2</td>
</tr>
<tr>
<td></td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td><strong>Capital and reserves</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Called up share capital</td>
<td>6</td>
<td>2</td>
</tr>
<tr>
<td></td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td><strong>Shareholders' funds</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>2</td>
<td>2</td>
</tr>
</tbody>
</table>

These financial statements of Butterworth Limited, registered number 02826955, were approved by the Board of Directors on 28th May 2014 and were signed on behalf of the Board of Directors of Butterworths' Limited.

C Fleck
Director
Notes to the accounts

1. Accounting policies

Basis of Preparation
These financial statements have been prepared under the historical cost convention and are in accordance with applicable United Kingdom law and accounting standards. The particular accounting policies adopted below have been consistently applied in the current and preceding period. Reed Elsevier Group plc, the company’s ultimate parent, has presented in its consolidated accounts, a group cash flow statement drawn up in accordance with Financial Reporting Standard 1 (Revised). Accordingly the company has taken advantage of the exemption available under Financial Reporting Standard 1 (Revised) to dispense with presenting its own cash flow statement.

Going Concern
The entity principally performs the payroll function for the LexisNexis UK business. Management has assessed the relevant factors surrounding going concern and considers the basis of accounting preparation appropriate.

Related Parties
The company has taken advantage of the exemption granted by paragraph 3(c) of Financial Reporting Standard 8 ‘Related Party Disclosures’, not to disclose transactions with wholly owned entities that are part of the Reed Elsevier Group plc as the consolidated financial statements of Reed Elsevier Group plc, in which the company is included, are publicly available.

Turnover
Turnover represents costs recharged to LexisNexis.

Pensions
Some employees of the company are members of the UK-based Reed Elsevier Pension Scheme. The Reed Elsevier Pension Scheme (defined benefit scheme) is administered on a Reed Elsevier Group plc group basis and total contributions are assessed by a qualified actuary based on the cost of providing pensions across all participating Reed Elsevier Group plc group companies. Information on the Reed Elsevier Pension Scheme is given in the accounts of the ultimate parent company. It is not practicable to determine costs separately for each participating company hence contributions are charged to the profit and loss account in the period on the basis of amounts payable. There was no pension costs charged to the profit and loss account in the year due to the fact that the costs were borne by another group company.
Notes to the accounts

2. Operating expenses

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Administrative expenses</td>
<td>73,482,664</td>
<td>72,066,629</td>
</tr>
</tbody>
</table>

Fees payable to the company’s auditors for the audit of the Company’s annual accounts of £1,000 (2012: £1,000) were borne by the company’s immediate parent undertaking, Reed Elsevier (UK) Limited, in both the current and preceding year.

3. Information regarding directors and employees

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employee costs during the financial year:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Wages and salaries</td>
<td>66,243,933</td>
<td>65,237,498</td>
</tr>
<tr>
<td>Social security costs</td>
<td>7,238,731</td>
<td>6,829,131</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>73,482,664</td>
<td>72,066,629</td>
</tr>
</tbody>
</table>

Average monthly number of employees:

<table>
<thead>
<tr>
<th>Department</th>
<th>No.</th>
<th>No.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Administration</td>
<td>28</td>
<td>43</td>
</tr>
<tr>
<td>Customer service</td>
<td>57</td>
<td>73</td>
</tr>
<tr>
<td>Editorial</td>
<td>593</td>
<td>617</td>
</tr>
<tr>
<td>Finance</td>
<td>43</td>
<td>46</td>
</tr>
<tr>
<td>Systems and production</td>
<td>51</td>
<td>77</td>
</tr>
<tr>
<td>Sales and marketing</td>
<td>213</td>
<td>208</td>
</tr>
<tr>
<td>Business development</td>
<td>33</td>
<td>35</td>
</tr>
<tr>
<td></td>
<td>1,018</td>
<td>1,099</td>
</tr>
</tbody>
</table>

None of the directors received any emoluments in respect of services to the company during the year (2012 £nil).
Notes to the accounts

4. Taxation

There is no charge to taxation in the current or prior year.

5. Debtors

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amounts owed by parent company</td>
<td>2</td>
<td>2</td>
</tr>
</tbody>
</table>

6. Called up share capital

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Authorised</td>
<td></td>
<td></td>
</tr>
<tr>
<td>100 ordinary shares of £1 each</td>
<td>100</td>
<td>100</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Called up, allotted and fully paid</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2 ordinary shares of £1 each</td>
<td>2</td>
<td>2</td>
</tr>
</tbody>
</table>

7. Ultimate parent company

The company’s immediate parent company is Reed Elsevier (UK) Ltd and its ultimate parent undertaking and controlling entity is Reed Elsevier Group plc (formerly Reed Elsevier plc), a company incorporated in the UK. The smallest and largest group into which the accounts of the company ended 31 December 2013 are consolidated is Reed Elsevier Group plc. Copies of the consolidated accounts of Reed Elsevier Group plc may be obtained from its registered office at 1-3 The Strand, London WC2N 5JR. Reed Elsevier Group plc is jointly owned by Reed Elsevier PLC a company incorporated in the UK and Reed Elsevier NV (formerly Elsevier NV), a company incorporated in the Netherlands.