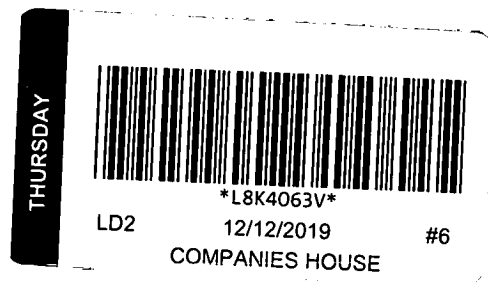


Company Registration No. 06419015

Mendeley Limited

Annual Report and Financial Statements

31 December 2018



Mendeley Limited

Report and financial statements 2018

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Mendeley Limited

Report and financial statements 2018

Officers and professional advisers

Directors

O Dumon
P Foeckler

Secretary

RE Secretaries Limited
1-3 Strand
London
WC2N 5JR
United Kingdom

Registered Office

The Boulevard
Langford Lane
Kidlington
Oxford
OX5 1GB
United Kingdom

Auditor

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

Mendeley Limited

Strategic report

The purpose of the Strategic Report is to inform members of the Company and help them assess how the directors have performed their duty under Section 172 of the Companies Act 2006.

Business review and future developments

The principal activity of the Company during the year was that of running a website allowing users to access their own interactive research library. The directors are satisfied with the performance and financial position of the Company in the current year. The directors have a reasonable expectation that the ultimate parent company is fully prepared and able to support the Company as necessary. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

As shown in the Company's Statement of Comprehensive Income on page 9, the Company's external revenue was £835k (2017: £1,045k). The Company has recorded profit before tax of £1,317k in the financial year 2018 comparing to £2,075k in 2017. The profit for 2018 is lower than profit recorded in 2017 mainly due to the higher operating expenses in the year, not all of which were eligible for recharge with a mark-up.

The Statement of Financial Position on page 10 shows the Company's financial position at the end of the year. Capital and Reserves were a £13.7m deficit, an increase of £5.1m from the prior year reflecting the total loss recognised for the year.

Principal risk 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.

Important specific risks affecting RELX PLC are discussed in the RELX PLC Annual Reports and Financial Statements 2018 (available on www.relx.com) which does not form part of this report.

The Company's ultimate parent undertaking is RELX PLC.

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

O Dumon
Director



5/12/2019

Mendeley Limited

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 2018. Details of future developments can be found in the Strategic Report on page 2.

The directors' report has been prepared in accordance with the provisions applicable to companies entitled to the small companies' exemption. The Company has prepared accounts in accordance with s396 of the Companies Act 2006.

Post balance sheet events

There have been no significant post balance sheet events.

Dividends and transfer to/from reserves

The Company's loss for the financial year of £2,685k (2017: profit of £2,373k) has been transferred to reserves. No dividend has been paid during the financial year 2018 (2017: £nil).

UK branches in EU

The Company does not have UK branches in the EU.

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 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.

Going concern

The directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. 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. Accordingly, they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the statement of accounting policies in the financial statements.

Mendeley Limited

Directors' report

Directors

The directors who served during the year and those holding office are set out below. Directors' indemnity insurance has been taken out by the Company on the directors' behalf.

O Dumon
P Foeckler

Auditor

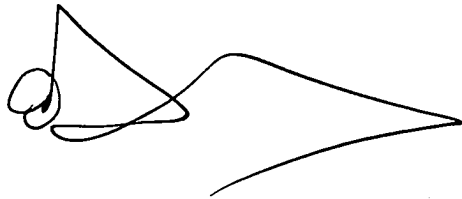
Each of the persons who is a director at the date of approval of this report confirms that:

- 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.

Ernst & Young LLP were appointed as auditors for the Company and have expressed their willingness to continue in office as auditors and a resolution to re-appoint them will be proposed at the forthcoming Annual General Meeting.

O Dumon
Director



5/12/2019

Mendeley Limited

Directors' responsibilities statement

The directors are responsible for preparing the Annual 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.

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 MENDELEY LIMITED

Opinion

We have audited the financial statements of Mendelely Limited for the year ended 31 December 2018 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity, and the related notes 1 to 13, 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 (United Kingdom Generally Accepted Accounting Practice), including FRS 101 "Reduced Disclosure Framework".

In our opinion, the financial statements:

- Give a true and fair view of the company's affairs as at 31 December 2018 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.

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MENDELEY LIMITED

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 the directors' report has been prepared in accordance with applicable legal requirements

Matters on which we are required to report by exception

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

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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MENDELEY LIMITED

Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

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

Ernst & Young LLP

Michael Rudberg (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
London

9/12/2019

Mendeley Limited
Statement of Comprehensive Income
Year ended 31 December 2018

	Notes	2018 £'000	2017 £'000
Revenue	2	835	1,045
Cost of sales		<u>-</u>	<u>-</u>
Gross profit		835	1,045
Distribution costs		<u>-</u>	<u>-</u>
Administrative expenses		(7,686)	(5,956)
Other operating income		<u>8,168</u>	<u>6,986</u>
Operating profit	3	1,317	2,075
Profit before tax		1,317	2,075
Tax (expense)/benefit	4	<u>(4,002)</u>	<u>298</u>
Net (loss)/profit for the year		<u>(2,685)</u>	<u>2,373</u>
Other comprehensive profit		<u>-</u>	<u>-</u>
Total comprehensive (loss)/profit for the year		<u>(2,685)</u>	<u>2,373</u>

All results relate to continuing operations.

The notes on pages 12 to 20 form part of these financial statements.

Mendeley Limited
Statement of Financial Position
As at 31 December 2018

	Notes	2018 £'000	2017 £'000
Non-current assets			
Intangible assets	6	442	1,309
Property plant and equipment	7	59	97
		<u>501</u>	<u>1,406</u>
Current assets			
Trade and other receivables	8	7,816	4,349
Cash		=	85
Deferred tax assets	4	263	503
		<u>8,079</u>	<u>4,937</u>
Total assets		8,580	6,343
Current liabilities			
Trade and other payables	9	<u>22,237</u>	<u>17,315</u>
Net liabilities		<u>(13,657)</u>	<u>(10,972)</u>
Capital and reserves			
Called up share capital	10	3	3
Share premium account		9,451	9,451
Other reserves account		<u>(23,111)</u>	<u>(20,426)</u>
Total deficit		<u>(13,657)</u>	<u>(10,972)</u>

The financial statements of Mendeley Limited (registered number 06419015) were approved by the Board of Directors on *5 December 2019*

Signed on behalf by



O Dumon

Director

5/12/2019

Mendeley Limited
Statement of changes in equity
As at 31 December 2018

	Share capital £'000	Share premium £'000	Other reserves £'000	Total equity £'000
Balance at 1 January 2017	3	9,451	(22,799)	(13,345)
Total comprehensive profit for the year	-	-	2,373	2,373
	<hr/>	<hr/>	<hr/>	<hr/>
Balance at 1 January 2018	3	9,451	(20,426)	(10,972)
Total comprehensive loss for the year	-	-	(2,685)	(2,685)
	<hr/>	<hr/>	<hr/>	<hr/>
Balance at 31 December 2018	3	9,451	(23,111)	(13,657)
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Mendeley Limited

Notes to the financial statements

Year ended 31 December 2018

1. Accounting policies

Basis of preparation

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

These financial statements were prepared in accordance with FRS 101 ‘Reduced Disclosure Framework’ as issued by the Financial Reporting Council.

The Company’s financial statements are presented in Sterling and all values are rounded to the nearest thousand pounds (£000) except when otherwise indicated.

As permitted by FRS 101, the Company has taken advantage of the disclosure exemptions available under that standard in relation to business combinations, share based payment transactions, non-current assets held for sale, financial instruments, capital management, presentation of comparative information in respect of certain assets, presentation of a cash-flow statement, standards not yet effective, impairment of assets and related party transactions. Where relevant, equivalent disclosures have been given in the group accounts of RELX PLC. The group accounts of RELX PLC are available to the public and can be obtained as set out in note 13.

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

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 are within the scope of IFRS 16. 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.

Going concern

The directors have 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 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.

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 Other reserves.

Mendeley Limited
Notes to the financial statements (continued)
Year ended 31 December 2018

1. Accounting policies (continued)

Revenue

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 and is recognised when the customer obtains control of the good or service.

Revenue is stated at the transaction price, which includes allowances 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 on a straight-line basis where the transaction involves to the transfer of goods and services to the customer in a consistent manner over a specific period of time; or 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. The Company 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 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.

Mendele Limited

Notes to the financial statements (continued)

Year ended 31 December 2018

1. Accounting policies (continued)

Taxation (continued)

The Company reports cross-border transactions undertaken between RELX Group subsidiaries on an arm's-length basis in tax returns in accordance with OECD guidelines. There are complex tax issues that require management to exercise judgement in making tax determinations. Discussions with tax authorities relating to cross-border transactions and other matters are ongoing in each of our major trading jurisdictions. The timing and the amount of final resolution of some uncertain tax positions cannot be reliably predicted which may result in an increase or decrease of the tax charge in future periods.

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.

Financial instruments

Financial instruments comprise 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. Derivative financial instruments are used to hedge foreign exchange risks. 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 forecast 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 interest and exchange.

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.

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. Internally generated intangible assets with a finite useful life are amortised systematically over their estimated useful lives between 3 to 10 years.

Mendeley Limited
Notes to the financial statements (continued)
Year ended 31 December 2018

1. Accounting policies (continued)

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	2%
Plant and equipment	20%

Short leasehold property and improvements are amortised over the period of the lease. No depreciation is provided on freehold land.

Pensions

The expense in respect of the RELX PLC Group Personal Pension Plan, a defined contribution scheme, is charged to the profit and loss as incurred.

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 products and other 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.

Other significant accounting policies

The accounting policies in respect of revenue recognition are also significant in determining the financial condition and results of Mendeley Limited, although the application of these policies is relatively straightforward, as the timing of product or service delivery and customer acceptance for the various revenue types can be readily determined. Allowances for product returns are deducted from revenues based on historical return rates. Where sales consist of two or more components that operate independently, revenue is recognised as each component is completed by performance, based on attribution of relative value.

Standards and amendments effective for the year

New accounting standards and amendments effective for the period and adopted by the Company in 2018 are IFRS 9 – Financial Instruments and IFRS 15 – Revenue from Contracts with Customers. IFRS 16 – Leases has also been adopted in the period, a year earlier than its mandatory effective date of 1 January 2019.

There was no impact of the adoption of these standards.

Mendeley Limited
Notes to the financial statements (continued)
Year ended 31 December 2018

2. Revenue

	2018	2017
	£'000	£'000
Geographical area		
United Kingdom	45	58
Continental Europe	172	224
USA	330	375
Rest of the World	288	388
	<u>835</u>	<u>1,045</u>

All revenue relates to a single class of business.

3. Operating profit

	2018	2017
	£'000	£'000
Operating profit is stated after charging the following:		
Depreciation of property, plant and equipment	38	36
Amortisation of intangible assets	867	867
Exchange losses	20	18
Other operating income	<u>(8,168)</u>	<u>(6,986)</u>

The audit fee in respect of the audit of the Company's annual financial statements is borne by another Group company.

4. Taxation

	2018	2017
	£'000	£'000
Current tax	3,761	126
Deferred tax	<u>241</u>	<u>(424)</u>
Tax expense/(benefit)	<u>4,002</u>	<u>(298)</u>

Mendeley Limited
Notes to the financial statements (continued)
Year ended 31 December 2018

4. Taxation (continued)

The rate of UK corporation tax for the year is 19.00 % (2017: 19.25 %). 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 tax rate for the year:

	2018	2017
	£'000	£'000
Profit on ordinary activities before taxation	1,317	2,075
Tax at applicable rate	250	399
Expenses not deductible for tax purposes	8	15
Other adjustments in respect of prior periods	3,759	(29)
Recognition and utilisation of losses from prior years	-	(740)
Deferred tax effect of changes in tax rates	(15)	57
Tax expense/(credit)	<u>4,002</u>	<u>(298)</u>

The standard rate of corporation tax in the UK was 19% with effect from 1 April 2017. Accordingly, the company's profits for the accounting period are taxed at an effective rate of 19%. A further reduction to the Corporation tax rate, from 19% to 17% with effect from 1 April 2020, was substantively enacted in September 2016.

	Deferred tax assets £'000
Deferred tax asset at 1 January 2017	76
Credit to profit	424
Adjustment in respect of previous periods	3
	<u>503</u>
Deferred tax asset at 1 January 2018	503
Charge to profit	(127)
Adjustment in respect of previous periods	(113)
	<u>263</u>
Deferred tax asset at 31 December 2018	263

Deferred tax assets in respect of tax losses and other deductible temporary differences have only been recognised to the extent that it is more likely than not, that sufficient taxable profits will be available to allow the asset to be recovered. The tax losses on which the deferred tax asset is recognised are £959,417.

Mendeley Limited
Notes to the financial statements (continued)
Year ended 31 December 2018

5. Personnel

From 1 July 2013, the company had no employees and has not borne any costs for the remuneration of Directors. Staff costs are recharged to the Company by Elsevier Ltd., a related party. It is not practicable to allocate remuneration for the services of the directors to Mendeley Limited.

	2018	2017
	£'000	£'000
Staff costs are as follows:		
Wages and salaries	3,782	2,210
Social security costs	628	458
Other pension costs	218	165
	<u>4,628</u>	<u>2,833</u>

6. Intangible assets

	Internally generated Intangible assets £'000	Total £'000
Cost		
At 1 January 2018	2,781	2,781
Additions	-	-
	<u>2,781</u>	<u>2,781</u>
At 31 December 2018	2,781	2,781
	<u>2,781</u>	<u>2,781</u>
Amortisation		
At 1 January 2018	1,472	1,472
Charge for the year	867	867
	<u>2,339</u>	<u>2,339</u>
At 31 December 2018	2,339	2,339
	<u>2,339</u>	<u>2,339</u>
Net book value		
At 31 December 2018	442	442
	<u>442</u>	<u>442</u>
At 31 December 2017	1,309	1,309
	<u>1,309</u>	<u>1,309</u>

Mendeley Limited
Notes to the financial statements (continued)
Year ended 31 December 2018

7. Property, plant, and equipment

	Fixtures and fittings £'000	Total £'000
Cost		
At 1 January 2018	187	187
Additions	-	-
At 31 December 2018	<u>187</u>	<u>187</u>
Depreciation		
At 1 January 2018	90	90
Charge for the year	38	38
At 31 December 2018	<u>128</u>	<u>128</u>
Net book value		
At 31 December 2018	<u>59</u>	<u>59</u>
At 31 December 2017	<u>97</u>	<u>97</u>

8. Trade and other receivables

	2018 £'000	2017 £'000
Amounts falling due within one year:		
Trade debtors	69	106
Amounts owed by fellow subsidiaries	7,747	4,243
	<u>7,816</u>	<u>4,349</u>

Amounts owed by subsidiary undertakings are non-interest bearing and repayable on demand.

Mendeley Limited
Notes to the financial statements (continued)
Year ended 31 December 2018

9. Trade and other payables

	2018	2017
	£'000	£'000
Deferred revenue	676	657
Trade creditors	-	34
Amounts owed to fellow subsidiaries	16,988	15,869
Corporation tax	3,801	126
Accruals	812	629
	<u>22,237</u>	<u>17,315</u>

Amounts owed to subsidiary undertakings are non-interest bearing and repayable on demand.

10. Called up share capital and share premium

	2018	2017
	£'000	£'000
Authorised, allotted, called up and fully paid:		
28,084,711 ordinary shares of £0,0001 each (2017: 28,084,711)	3	3
	<u>3</u>	<u>3</u>

11. Other reserves

	Profit and loss account	Total
	£'000	£'000
Balance at 1 January 2018	(20,426)	(20,426)
Retained deficit for the year	(2,685)	(2,685)
At 31 December 2018	<u>(23,111)</u>	<u>(23,111)</u>

12. Ultimate parent undertaking and controlling party

The Company's immediate parent undertaking is RELX (UK) Ltd and the ultimate parent and controlling entity is RELX PLC, a company incorporated in Great Britain. The smallest and largest group into which the accounts of the Company for the year ended 31 December 2018 are consolidated is RELX PLC. Copies of the consolidated accounts may be obtained from its registered office 1-3 Strand, London WC2N 5JR.

13. Related party information

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.