

COMPANY REGISTRATION NUMBER: 05994621

Redquince Limited
Unaudited Annual Report and Financial Statements
Year ended 30 September 2019

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Redquince Limited
Annual Report and Financial Statements
Year ended 30 September 2019

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Redquince Limited

Company Information

The Board of Directors

TJ Bratton
SJ Cooke

Registered office

8 Bouverie Street
London
United Kingdom
EC4Y 8AX

Redquince Limited

Strategic Report

Year ended 30 September 2019

The purpose of the Strategic Report is to inform members of the Redquince Limited ("the Company") and help them assess how the Directors have performed their duty under section 172 of the Companies Act 2006 (duty to promote success of the Company).

Principal activity and business review

The principal activity of the Company during the year was that of holding investments. The net assets of the Company as at 30 September 2019 were \$367,676,958 (2018: \$283,291,574).

The Company will continue to be an investment holding company for the foreseeable future.

Principal risks and uncertainties facing the Company

Risks are managed at a group level by Euromoney Institutional Investor PLC ("the Group"). The Group has continued to develop its processes for risk management. Management of significant risk is regularly on the agenda of the board of Euromoney Institutional Investor PLC ("EII PLC") and other senior management meetings.

Specific risk areas that potentially could have a material impact on the Company's long-term performance are:

Liquidity Risk

The Group's principal source of borrowings are provided through committed bank facilities available to the Group until December 2021. These syndicated facilities include a £240m (2018: £240m) multi-currency revolving credit facility which was undrawn at 30 September 2019 (2018: undrawn).

The Group's strategy is to use excess operating cash to pay down its drawings under the revolving credit facility and where undrawn invest in short-term bank deposits and money market funds. The Group generally has an annual cash conversion rate (the percentage by which cash generated from operations covers adjusted operating profit before acquired intangible amortisation and exceptional items) of 100% or more due to much of its subscription, sponsorship and delegate revenue being paid in advance. The Group's underlying operating cash conversion rate based on adjusted operating profit was 98%. The Group's forecasts and projections, looking out to September 2022 and taking account of reasonably possible changes in trading performance, show that the Group should be able to operate within the level and covenants of its current and available borrowing facilities.

Subsequent to the balance sheet date, on 24 April 2020, the Group extended the maturity of the committed bank facility for an additional year ensuring the facility is available until December 2022. In addition, the facility commitment was reduced from £240m to £188m. On 11 May 2020, the Group was confirmed as an eligible issuer in principle for the Covid Corporate Financing Facility with an issuer limit of £125m (note 14).

Covid-19

Although the Company still considers this to be the most relevant risk, the Board's view is that, because of covid-19, the overall risk trend for EII PLC is increasing, both prior to and post-mitigation. The EII PLC overall increasing risk trend has been disclosed in detail in the EII PLC 2020 Half Year Report on pages 11 to 12.

Redquince Limited
Strategic Report
Year ended 30 September 2019

Key performance indicators

Given the straightforward nature of the business, the Company's Directors are of the opinion that analysis using key performance indicators for the Company is not necessary or appropriate for an understanding of the development, performance or position of the business.

This report was approved by the Board of Directors on 8 June 2020 and signed on behalf of the Board by:

A handwritten signature in black ink, appearing to be 'TJ Bratton', written in a cursive style.

TJ Bratton
Director

Redquince Limited

Directors' Report

Year ended 30 September 2019

The Directors present their report and the unaudited financial statements of the Company for the year ended 30 September 2019.

Results and dividends

The profit for the financial year amounted to \$3,985,384 (2018: loss of \$10,300,318). The net assets of the Company as at 30 September 2019 were \$367,676,958 (2018: \$283,291,574). There were no dividends paid during the year (2018: \$nil). The Directors have not proposed a final dividend (2018: \$nil).

Directors

The Directors who served the Company during the year and up to the date of signing the financial statements are listed on page 1.

Future developments

The Company will continue to be an investment holding company for the foreseeable future.

Qualifying third-party indemnity provisions

A qualifying third-party indemnity (QTPI) as permitted by the Company's Articles of Association and Section 232 and 234 of the Companies Act 2006, has been granted by the Company to the Directors of the Company. Under the provisions of QTPI the Company undertakes to indemnify each Director against liability to third parties (excluding criminal and regulatory penalties) and to pay Directors' costs as incurred, provided that they are reimbursed to the Company if the Director is found guilty or, in an action brought by the Company, judgement is given against the Director.

Going concern

The Directors have made enquiries and have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future as Euromoney Institutional Investor PLC, the ultimate parent company, has committed to providing financial support to meet its financial obligations when they fall due, for a period of at least 12 months from the date of signing of the accounts. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

The impact on the future prospects of the Company from covid-19 has been considered as part of the Euromoney Institutional Investor PLC adoption of the going concern basis for the 2020 Half Year Report as released on 4 June 2020 and available on the EII PLC website (www.euromoneyplc.com). The Group has concluded that there was no material uncertainty on its ability to continue as a going concern at the time the Half Year Report was released and therefore, and in light of the support pledged by the Group, the Directors have concluded that no material uncertainty exists for the Company at the date of signing these financial statements to continue as a going concern.

Post balance sheet events

Events arising after 30 September 2019 are set out in note 14.

Disclosure of Information in the Strategic Report

The information that fulfils the Companies Act requirements of the business review is included in the Strategic Report. This includes a review of the development of the business of the Company during the year, of its position at the end of the year and of the likely future developments in its business.

Redquince Limited
Directors' Report
Year ended 30 September 2019

Financial instruments

The Company had no complex financial instruments at 30 September 2019 (2018: none).

This report was approved by the Board of Directors on 8 June 2020 and signed on behalf of the Board by:

A handwritten signature in black ink, appearing to be 'TJ Bratton', with a stylized, flowing script.

TJ Bratton
Director

Redquince Limited
Statement of Comprehensive Income
As at 30 September 2019

	Notes	2019 \$	2018 \$
Administrative expenses		(12,001,009)	(12,719,092)
Operating loss	4	(12,001,009)	(12,719,092)
Income from shares in group undertakings		13,639,112	—
Interest receivable and similar income	6	4,303,095	87,450
Interest payable and similar expenses	7	(4,172,175)	(84,800)
Profit/(loss) before taxation		1,769,023	(12,716,442)
Tax on profit/(loss)	8	2,216,361	2,416,124
Profit/(loss) for the financial year and total comprehensive income/(expense)		3,985,384	(10,300,318)

All the activities of the Company are from continuing operations.

The notes on page 9 to 17 form part of these Annual Report and Financial Statements.

Redquince Limited
Statement of Financial Position
As at 30 September 2019

	Notes	2019 \$	2018 \$
Fixed assets			
Investments	9	390,177,518	309,777,518
Current assets			
Debtors	10	2,216,361	161,503,574
Creditors: amounts falling due within one year	11	<u>(24,716,921)</u>	<u>(187,989,518)</u>
Net current liabilities		(22,500,560)	(26,485,944)
Net assets		367,676,958	283,291,574
Capital and reserves			
Called up share capital	12	287	286
Share premium account		397,546,184	317,146,185
Accumulated losses		<u>(29,869,513)</u>	<u>(33,854,897)</u>
Total equity		367,676,958	283,291,574

For the year ending 30 September 2019 the Company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies.

Directors responsibilities:

- The members have not required the Company to obtain an audit of its Annual Report and Financial Statements for the year in question in accordance with section 476;
- The Directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of Annual Report and Financial Statements.

These Annual Report and Financial Statements on pages 6 to 17 were approved by the Board of Directors and authorised for issue on 8 June 2020, and are signed on behalf of the Board by:



TJ Bratton
Director

Company registration number: 05994621

The notes on page 9 to 17 form part of these Annual Report and Financial Statements.

Redquince Limited
Statement of Changes in Equity
Year ended 30 September 2019

	Called up share capital \$	Share premium account \$	Accumulated losses \$	Total \$
At 1 October 2017	286	317,146,185	(23,554,579)	293,591,892
Loss for the financial year and total comprehensive expense	—	—	(10,300,318)	(10,300,318)
At 30 September 2018	286	317,146,185	(33,854,897)	283,291,574
Profit for the financial year and total comprehensive income	—	—	3,985,384	3,985,384
Issue of share capital	1	80,399,999	—	80,400,000
At 30 September 2019	287	397,546,184	(29,869,513)	367,676,958

The notes on page 9 to 17 form part of these Annual Report and Financial Statements.

Redquince Limited

Notes to the Financial Statements

Year ended 30 September 2019

1. General information

The Company is a private company limited by shares, registered in England and Wales. The address of the registered office is 8 Bouverie Street, London, EC4Y 8AX, United Kingdom.

2. Statement of compliance

These financial statements have been prepared under the historical cost convention in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, *The Financial Reporting Standard Applicable in the UK and Republic of Ireland* (FRS 102), and the Companies Act 2006.

3. Accounting policies

Basis of preparation

The Company is incorporated in England and Wales. These financial statements have been prepared under the going concern assumption. The Company has a retained deficit. Due to the current economic conditions there are inherent future uncertainties that may impact the business, however, the directors are still confident of the Company's ability to continue with its principal activity for the foreseeable future. The directors have also obtained a letter of support from its ultimate parent Company, Euromoney Institutional Investor PLC, confirming that it will provide any financial support that may be required for a period of at least 12 months from the date of signing of the accounts.

The impact on the future prospects of the Company from covid-19 has been considered as part of the Euromoney Institutional Investor PLC adoption of the going concern basis for the 2020 Half Year Report as released on 4 June 2020 and available on the EII PLC website (www.euromoneyplc.com). The Group has concluded that there was no material uncertainty on its ability to continue as a going concern at the time the Half Year Report was released and therefore, and in light of the support pledged by the Group, the Directors have concluded that no material uncertainty exists for the Company at the date of signing these financial statements to continue as a going concern.

The principal accounting policies, which have been applied consistently throughout the year, are set out below.

Disclosure exemptions

This entity satisfies the criteria of being a qualifying entity as defined in FRS 102. Its financial statements are consolidated into the financial statements of Euromoney Institutional Investor PLC, 8 Bouverie Street, London EC4Y 8AX. As such, advantage has been taken of the following disclosure exemptions available under paragraph 1.12 of FRS 102:

- Statement of Cash Flows (paragraph 3.17(d))
- Related Party Disclosures (paragraph 33.7)

Consolidation

The Company was, at the end of the year, a subsidiary of another company incorporated in the EEA and in accordance with Section 400 of the Companies Act 2006, is not required to produce, and has not published, consolidated financial statements.

Redquince Limited
Notes to the Financial Statements
Year ended 30 September 2019

3. Accounting policies *(continued)*

Income tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax, with the following exceptions:

- provision is made for deferred tax that would arise on remittance of the retained earnings of overseas subsidiaries, associates and joint ventures only to the extent that, at the balance sheet date, dividends have been accrued as receivable or there is a binding commitment to remit these earnings;
- deferred tax assets are recognised only to the extent that the Directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the years in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Investments

Fixed asset investments are initially recorded at cost, and subsequently stated at cost less any accumulated impairment losses.

Listed investments are measured at fair value with changes in fair value being recognised in profit or loss.

Critical accounting judgements and estimation uncertainty

The preparation of financial statements in conformity with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed below.

Investments

Investments are impaired where the carrying value of an investment is higher than the net present value of the future cash flows. During the year, no impairment was recognised on the Company's investments (2018: \$nil). Key areas of judgement in calculating the net present value are the forecast cash flows, the long-term growth rate of the applicable businesses and the discount rate applied to those cash flows.

Redquince Limited

Notes to the Financial Statements (continued)

Year ended 30 September 2019

4. Operating loss

Operating loss is stated after charging:

	2019	2018
	\$	\$
Foreign exchange losses	205,033	—

The Company was exempt from audit in the current and prior year and as such did not incur any costs relating to auditor's remuneration.

5. Employees and Directors

The monthly average number of staff employed by the Company during the financial year amounted to:

	2019 No	2018 No
Directors	2	2

There are no staff costs during the current and prior year. Directors' emoluments are paid by Euromoney Trading Limited, an indirectly wholly owned subsidiary undertaking of Euromoney Institutional Investor PLC. The Directors do not receive emoluments specifically for the services to this company. This is because management of the Group's trading companies, particularly Euromoney Trading Limited, requires significantly more of the Directors' time than management of investment-holding companies, such as Redquince Limited.

6. Interest receivable and similar income

	2019 \$	2018 \$
Interest from group undertakings	4,303,095	87,450

7. Interest payable and similar expenses

	2019 \$	2018 \$
Interest payable to group undertakings	4,172,175	84,800

Redquince Limited

Notes to the Financial Statements (continued)

Year ended 30 September 2019

8. Tax on profit/(loss)

Major components of tax income

	2019 \$	2018 \$
Current tax:		
UK current tax income	(2,216,361)	(2,416,124)
Tax on profit/(loss)	(2,216,361)	(2,416,124)

The Company's tax income for the year is based on the UK statutory rate of corporation tax for the year of 19% (2018: 19%).

Reconciliation of tax income

The tax assessed on the loss for the year is less than (2018: same as the standard rate) the standard rate of corporation tax in the UK of 19% (2018: 19%).

	2019 \$	2018 \$
Profit/(loss) before taxation	1,769,023	(12,716,442)
Profit/(loss) by rate of tax	336,114	(2,416,124)
Expenses not deductible	38,956	—
Non-taxable income	(2,591,431)	—
Tax on profit/(loss)	(2,216,361)	(2,416,124)

Redquince Limited

Notes to the Financial Statements (continued)

Year ended 30 September 2019

9. Investments

	Shares in group undertakings \$
Cost	
At 1 October 2018	317,146,470
Additions	80,400,000
At 30 September 2019	397,546,470
Impairment	
At 1 October 2018 and 30 September 2019	(7,368,952)
Carrying amount	
At 30 September 2018 and 30 September 2019	390,177,518

During the year, the Company issued a new share for \$1 and a total premium of \$80,399,999 and utilised the share proceeds to increase its investment in EII US, Inc., by subscribing for new equity of \$80,400,000 in that entity.

An assessment of the future prospects of the investments was carried out at the end of the financial year for the current year. No impairment was identified during the year.

Entity	Nature of business	Class of shares held	Proportion of shares held	Registered office
EII US, Inc.	Investment holding Company	Ordinary	100%	Corporation Service Company, 251 Little Falls Drive, Wilmington, DE 19808, United States
BoardEx, LLC	Information services	Ordinary	100%*	Corporation Service Company, 251 Little Falls Drive, Wilmington, DE 19808, United States
Bright Milestone Limited	Investment holding Company	Ordinary	100%*	38/F Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong
EII Holdings, Inc.	Investment holding Company	Ordinary	100%*	Corporation Service Company, 251 Little Falls Drive, Wilmington, DE 19808, United States
EII Holdings II, Inc.	Investment holding Company	Ordinary	100%*	Corporation Service Company, 251 Little Falls Drive, Wilmington, DE 19808, United States
EIMN LLC	Events	Ordinary	100%*	Corporation Service Company, 251 Little Falls Drive, Wilmington, DE 19808, United States
Euromoney Holdings US, Inc.	Investment holding Company	Ordinary	100%*	Corporation Service Company, 251 Little Falls Drive, Wilmington, DE 19808, United States

Redquince Limited

Notes to the Financial Statements (continued)

Year ended 30 September 2019

9. Investments (continued)

Entity	Nature of business	Class of shares held	Proportion of shares held	Registered office
Euromoney Holdings Limited	Investment holding Company	Ordinary	100%*	8 Bouverie Street, London, EC4Y 8AX, United Kingdom
Euromoney Holdings 2 Limited	Investment holding Company	Ordinary	100%*	8 Bouverie Street, London, EC4Y 8AX, United Kingdom
Euromoney Services, Inc.	Research and data services	Ordinary	100%*	Corporation Service Company, 251 Little Falls Drive, Wilmington, DE 19808, United States
Institutional Investor LLC	Publishing and events	Ordinary	100%*	Corporation Service Company, 251 Little Falls Drive, Wilmington, DE 19808, United States
Institutional Investor Networks Inc	Publishing and events	Ordinary	100%*	Corporation Service Company, 251 Little Falls Drive, Wilmington, DE 19808, United States
Internet Securities Argentina S.A.	Dormant	Ordinary	85%*	Suipacha 1111, Piso 11, Buenos Aires, Argentina
Internet Securities Egypt Ltd	Dormant	Ordinary	100%*	3 El Badia street, Off Al Thawra street, Heliopolis, Cairo, Egypt
Internet Securities, Inc.	Investment holding Company	Ordinary	100%*	Corporation Service Company, 251 Little Falls Drive, Wilmington, DE 19808, United States
Metal Bulletin Holdings LLC	Investment holding Company	Ordinary	100%*	Corporation Service Company, 251 Little Falls Drive, Wilmington, DE 19808, United States
Ned Davis Research, Inc.	Research and data services	Ordinary	100%*	600 Bird Bay Drive West, Venice FL 34285, United States
PL Holdings LLC	Research and data services	Ordinary	100%*	National Registered Agents, Inc. 160 Greentree Drive, Ste 101 Dover, DE 19904, United States
Random Lengths Publications, Inc	Research and data services	Ordinary	100%*	PO BOX 867, Eugene, OR 97440, United States
RISI Consultoria em Produtos Florestais	Research and data services	Ordinary	100%*	Rua Bernadino de Campos, nº 98, Sobreloja, Bairro Paraíso, CEP 04004-040, São Paulo, Brazil
RISI Inc	Research and data services	Ordinary	100%*	National Registered Agents, Inc. 160 Greentree Drive, Ste 101 Dover, DE 19904, United States

Redquince Limited

Notes to the Financial Statements (continued)

Year ended 30 September 2019

9. Investments (continued)

Entity	Nature of business	Class of shares held	Proportion of shares held	Registered office
RISI Spri	Research and data services	Ordinary	100%*	Avenue Louise 523, 1050 Brussels, Belgium
RISI US (Holdco) Inc	Research and data services	Ordinary	100%*	National Registered Agents, Inc. 160 Greentree Drive, Ste 101 Dover, DE 19904, United States
The Deal LLC	Information services	Ordinary	100%*	Corporation Service Company, 251 Little Falls Drive, Wilmington, DE 19808, United States

* Indirect holdings

10. Debtors

	2019	2018
	\$	\$
Corporation tax	2,216,361	2,416,124
Amounts owed by group undertakings	—	159,087,450
	<u>2,216,361</u>	<u>161,503,574</u>

In 2018, amounts owed by group undertakings included a loan of \$159,087,450 bearing interest at 3.30% which was repaid in full on 24 March 2019.

11. Creditors: amounts falling due within one year

	2019	2018
	\$	\$
Amounts owed to group undertakings	<u>24,716,921</u>	<u>187,989,518</u>

Amounts owed to group undertakings are current accounts which are interest free and repayable on demand.

In 2018, amounts owed to group undertakings included a loan of \$159,084,800 bearing interest at 3.20%, which was repaid in full on 31 May 2019.

Redquince Limited

Notes to the Financial Statements (continued)

Year ended 30 September 2019

12. Called up share capital

Issued, called up and fully paid

	2019		2018	
	No.	\$	No.	\$
Ordinary shares of \$1 each	<u>287</u>	<u>287</u>	<u>286</u>	<u>286</u>
				2019
				Number
At 1 October 2018				286
Share issue				<u>1</u>
At 30 September 2019				<u>287</u>

Consideration received for the allotment of ordinary shares during the year was \$80,400,000.

13. Controlling party

The immediate parent undertaking and controlling party is Fantfoot Limited, which is a wholly owned subsidiary of Euromoney Institutional Investor PLC (EII PLC).

The Directors regard EII PLC as the ultimate parent undertaking at the balance sheet date.

The smallest and largest group of which the Company is a member and for which group financial statements are drawn up is that of EII PLC, incorporated in England and Wales. Copies of the report and financial statements are available from the Company Secretary, Euromoney Institutional Investor PLC, 8 Bouverie Street, London, EC4Y 8AX.

14. Post balance sheet events

The United Kingdom has left the EU on 31 January 2020 and is currently in a transitional period which expires on 31 December 2020. It is not anticipated that this will have a material impact on the Company's financial results.

On 11 March 2020 the UK Government announced that the previously enacted corporate tax rate reduction from 19% to 17% on 1 April 2020 would not go ahead. This change was not substantively enacted at the balance sheet date.

On 24 April 2020, the Group extended the maturity of the committed bank facility for an additional year ensuring the facility is available until December 2022. In addition, the facility commitment was reduced from £240m to £188m. On 11 May 2020, the Group was confirmed as an eligible issuer in principle for the Covid Corporate Financing Facility with an issuer limit of £125m.

The impact on the future prospects of the Company from covid-19 has been considered as part of the Euromoney Institutional Investor PLC adoption of the going concern basis for the 2020 Half Year Report as released on 4 June 2020 and available on the EII PLC website (www.euromoneyplc.com). The Group has concluded that there was no material uncertainty on its ability to continue as a going concern at the time the Half Year Report was released and therefore, and in light of the support pledged by the Group, the Directors have concluded that no material uncertainty exists for the Company at the date of signing these financial statements to continue as a going concern.

Redquince Limited

Notes to the Financial Statements (continued)

Year ended 30 September 2019

14. Post balance sheet events *(continued)*

As previously announced the Group has cancelled the majority of its events up to and including September 2020 and the effect of covid-19 on broader economic activity could impact the ability to generate new sales. The Group has taken swift and decisive action to reduce costs and preserve cash, while supporting employees, serving customers and protecting the long-term health of the business. The Group has already taken steps to minimise non-contractual spend, postpone capital expenditure, freeze pay, limit new hires, utilise the furlough scheme, swapping an element of salaries for shares, run virtual events and not declaring an interim dividend. The impact of covid-19 is a non-adjusting subsequent event for the Company. Additional disclosure in the 2020 Half Year Report has been made regarding risks, liquidity, debt covenants, impairment testing, retirement benefit schemes and deferred tax assets.