Company Registration No. 2746616

RELX Group plc

Annual Report and Financial Statements

For the year ended 31 December 2014

OFFICERS AND AUDITOR

Directors

The following served as directors during the year:

A J Habgood*	- Chairman
E Engstrom	- Chief Executive Officer
N L Luff	- Joined as Chief Financial Officer on 1 September 2014
D J Palmer	- Chief Financial Officer until 1 September 2014; resigned 24 September 2014
W Hauser*	
A N Hennah*	
L Hook*	- Senior Independent Director
R B Polet*	
L S Sanford*	
B van der Veer*	

*Indicates non-executive director

Secretary

Henry A Udow

Registered Office

1-3 Strand
London
WC2N 5JR

Auditor

Deloitte LLP
Chartered Accountants and Statutory Auditors
London
United Kingdom

STRATEGIC 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 2014. Pages 2 to 24 comprise the Strategic Report and pages 25 to 27 comprise the Directors' Report in accordance with The (UK) Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013.

RELX Group plc is a world-leading provider of information solutions for professional customers across industries.

We help scientists make new discoveries, lawyers win cases, doctors save lives and executives forge commercial relationships with their clients. We help insurance groups offer customers lower prices by assessing risk better, and save taxpayers and consumers money by helping governments and financial groups to detect fraud.

We achieve this by using our deep customer understanding to combine high-quality content and data with analytics and technology in global platforms. These solutions often account for about 1 percent of our customers' total cost base but can have a significant, positive impact on the economics of the remaining 99 percent. We aim to build leading positions in long-term global growth markets and we are leveraging our institutional skills, assets and resources across the company, both to build solutions for our customers and to pursue cost efficiencies.

We continue to evolve into a company that delivers improved outcomes to professional customers across industries. We are achieving this primarily through organic development, supplemented by selective portfolio reshaping.

RELX Group plc operates across a number of market segments. In Scientific, Technical & Medical markets, we provide information and tools to help customers improve scientific and healthcare outcomes. In Risk & Business Information, we provide data, analytics and insight that enable customers to evaluate and manage risks, and develop market intelligence, supporting more confident decisions, improved economic outcomes, and enhanced operational efficiency. In Legal markets, we are a world-leading provider of legal, regulatory and news and business information and analysis to legal, corporate, government and academic customers. In Exhibitions, we are the world's leading events business, with 500 events in over 30 countries.

BUSINESS REVIEW

Scientific, Technical & Medical

Elsevier is the world's leading provider of scientific, technical & medical information serving scientists, health professionals and students worldwide. Its objective is to help its customers advance science and improve healthcare by providing world-class content and innovative information solutions that enable them to make critical decisions, enhance productivity, and improve outcomes.

Revenues for the year ended 31 December 2014 were £2,048m. Elsevier is a global business with principal operations in Amsterdam, Beijing, Boston, Chennai, Delhi, London, Madrid, Munich, New York, Oxford, Paris, Philadelphia, Rio de Janeiro, St. Louis, San Diego, Singapore and Tokyo. It has 7,000 employees.

Approximately 37% of revenue by destination in 2014 was derived from North America, 30% from Europe and the remaining 33% from the rest of the world.

Elsevier serves the needs of the science, technology & medical markets by publishing primary research, reference and education content, as well as by providing a range of database and workflow solutions. Elsevier's customers are scientists, academic institutions, educators, research leaders and administrators, medical researchers, doctors, nurses, allied health professionals and students, as well as hospitals, research institutions, health insurers, managed healthcare organisations, research-intensive corporations, and governments. All of these customers rely on Elsevier to provide high-quality content and critical information for making scientific and medical decisions; to review, publish, disseminate and preserve research findings; to create innovative tools to help focus research strategies, increase research effectiveness, improve medical outcomes, and enhance the efficiency of healthcare and healthcare education.

In the primary research market during 2014, over 1.1m research papers were submitted to Elsevier. Over 16,000 editors managed the peer review and selection of these papers, resulting in the publication of more than 360,000 articles in over 2,000 journals, many of which are the foremost publications in their field and a primary point of reference for new research. This content was accessed by around 12m people, with more than 750m full text article downloads last year. Content is provided free or at very low cost in most of the world's poorest countries. Elsevier's journals are primarily published and delivered through the ScienceDirect platform, the world's largest database of scientific and medical research, hosting over 12m pieces of content, and 30,000 e-books. Flagship journals include Cell and The Lancet families of titles.

STRATEGIC REPORT

In 2014, Elsevier expanded the Lancet collection, adding new titles, such as The Lancet Psychiatry, The Lancet HIV and The Lancet Haematology.

Elsevier is also a global leader in the scientific, technical & medical reference market, providing authoritative and current professional reference content. While reference has traditionally been provided in print, Elsevier has been a leader in driving the shift from print to electronic. Flagship titles include works such as Gray's Anatomy, Nelson's Pediatrics and Netter's Atlas of Human Anatomy.

Elsevier's flagship clinical reference platform, ClinicalKey, provides physicians with access to leading Elsevier and third-party reference and evidence-based medical content in a single, fully integrated site. ClinicalKey is continuing to grow strongly, and is currently accessed by over 2,000 institutions.

In medical education, Elsevier serves students of medicine, nursing and allied health professions through print and electronic books, as well as electronic solutions. For example, HESI, an online testing and remediation solution designed to help students of nursing and allied health professions, conducted over 700,000 tests in 2014.

Elsevier's database and workflow products provide a range of tools and solutions for professionals in the scientific, technical and medical fields. Customers include academic and corporate researchers, research administrators and healthcare professionals.

For academic and corporate researchers, significant products include Scopus, Reaxys and Knovel. Scopus is the largest abstract and citation database of research literature in the world, with over 56m abstract and bibliographic information records from more than 21,000 peer-reviewed journals and 5,000 international publishers. Reaxys is a leading solution for synthetic chemists, integrating chemical reaction and compound data searching with synthesis planning. Knovel provides a range of web-based productivity tools for the engineering community, integrating technical information with analytics and search to deliver trusted answers and drive innovation.

Elsevier serves academic and government research administrators through its Elsevier Research Intelligence suite of products. Leveraging bibliometric data from Scopus and other data types, SciVal helps institutions to establish, execute and evaluate research strategies. Pure is a comprehensive research information management system which enables evidence-based research management decisions, promotes collaboration, simplifies administration and optimises impact. Our Analytical Services team provides accurate, unbiased analysis on research performance by combining high-quality data sources with technical and research metrics expertise. SciVal Funding assists researchers and institutions in identifying grants that are most relevant in their research areas.

For healthcare professionals, Elsevier develops products to deliver patient-specific solutions at the point of care to improve patient outcomes. Its clinical solutions include ExitCare which provides patient education and discharge information and CPM Resource Center, which provides a data-driven framework to support nurses in undertaking procedures.

Market opportunities

Scientific, technical & medical information markets have good long-term growth characteristics. The importance of research and development to economic performance and competitive positioning is well understood by governments, academic institutions and corporations. This is reflected in the long-term growth in research and development spend and in the number of researchers worldwide. Growth in health markets is driven by ageing populations in developed markets, rising prosperity in developing markets and the increasing focus on improving medical outcomes and efficiency. Given that a significant proportion of scientific research and healthcare is funded directly or indirectly by governments, spending is influenced by governmental budgetary considerations. The commitment to research and health provision does, however, remain high, even in more difficult budgetary environments.

Strategic priorities

Elsevier's strategic goal is to lead the way in providing information solutions that advance science, technology and health. To achieve this, Elsevier creates solutions that reflect deep insight into the way its users work and the outcomes they are seeking to achieve; strives for excellence in content, service and execution; constantly adapts and revitalises its products, business models and technology; and leverages its institutional skills, assets and resources to promote innovation and efficiency.

Elsevier's strategic priorities are to continue to increase content volume and quality; to expand content coverage, building out integrated solutions combining Elsevier, third-party and customer data; to increase content utility, using "Smart Content" to enable new e-solutions; to combine content with analytics and technology, focused on measurably improving productivity and outcomes for customers; and to continue to drive operational efficiency and effectiveness.

In the primary research market, Elsevier aims to grow volume through new journal launches, expansion of author-pays journals and growth from emerging markets; to enhance quality by building on our premium brands; and to add value to core platforms by implementing new capabilities such as advanced recommendations on ScienceDirect and social collaboration through Mendeley.

In clinical reference markets, priorities are to expand content coverage, including licensing high-quality third-party content for ClinicalKey, as well as ensuring consistent tagging to link content assets across products.

Business model, distribution channels and competition
Science and medical research is principally disseminated on a paid subscription basis to the research facilities of academic institutions, government and corporations, and, in the case of medical and healthcare journals, also to individual practitioners and medical society members. For a number of journals, advertising and promotional income represents a small proportion of revenues predominantly from pharmaceutical companies in healthcare titles.

Over the past 15 years alternative payment models for the dissemination of research such as "author-pays" or "author's-funder-pays" have emerged. While it is expected that paid subscription will remain the primary distribution model, Elsevier has long invested in alternative business models to address the needs of customers and researchers. Over 1,600 of Elsevier's journals now offer the option of funding research publishing and distribution via a sponsored article fee. In addition, Elsevier now publishes more than 100 open access journals.

Electronic products, such as ScienceDirect, Scopus and ClinicalKey, are generally sold direct to customers through a dedicated sales force that has offices around the world. Subscription agents facilitate the sales and administrative process for print journals. Books are sold through traditional and online book stores, wholesalers and, particularly in medical and healthcare markets, directly to end users.

Competition within science and medical publishing is generally on a title-by-title and product-by-product basis. Competing journals, books and databases are typically published by learned societies and other professional publishers. Workflow tools face similar competition, as well as from software companies and internal solutions developed by customers.

2014 financial performance

Key business trends were positive for the year with underlying research subscription revenue growth around half a percentage point ahead of the prior year. Electronic revenues, which now account for around 74% of the total, continued to see good growth across segments.

Underlying revenue growth was +2% and underlying adjusted operating profit growth was +3%. The difference between the reported and underlying growth rates primarily reflects the impact of exchange rate movements.

In primary research, article submissions to subscription journals and usage continued to grow in double digits, and journal quality, as measured by relative impact factor, was maintained. Subscription revenue growth rates were around half a percentage point higher than in the prior year, driven by increased volume and new sales.

The volume of "author-pays" or "author's-funder-pays" articles grew strongly from a small base. We continued to launch new journals, and now operate over 100 stand-alone author-pays open access journals alongside our sponsored article option in over 1,600 subscription journals.

We saw continued good growth in databases and tools, as well as in electronic reference and education.

Print book and pharma promotion revenues continued to decline, albeit at a slightly lower rate than in the prior year.

2015 Outlook

Our customer environment remains largely unchanged, with last year's trends continuing into 2015. Overall we expect another year of modest underlying revenue growth.

Risk & Business Information

From 2014 Risk Solutions and Business Information have been combined into one business area. This union brings together LexisNexis Risk Solutions' proprietary, public and third-party information, advanced technology and analytics, with Reed Business Information's high-value industry critical data services, information and tools as well as conferences, websites and business magazines.

Revenues for the year ended 31 December 2014 were £1,439m. Risk & Business Information has principal operations in Georgia, Florida, Illinois and Ohio in the US and London, Amsterdam and Shanghai. Risk & Business Information has 7,400 employees. Approximately 73% of revenue in 2014 came from North America, 22% from Europe and 5% from the rest of the world.

Risk & Business Information is organised around market-facing industry/sector groups including insurance, business services, government, healthcare, major data services (including banking, energy and chemicals, human resources) and other leading brands. The largest of these sector groups is insurance.

The identity management and risk evaluation solutions provided by Insurance Solutions, Business Services, Government Solutions and Health Care Solutions utilise comprehensive database platforms of public records and proprietary information with more than two petabytes of unique data, which makes it the largest database of its kind in the US market today. Our market-leading technology enables Risk & Business Information to provide its customers with highly relevant search results swiftly and to create new, low-cost solutions quickly and efficiently. It is also increasingly used across other RELX Group plc's group business areas such as Legal and Scientific, Technical & Medical.

Risk & Business Information is focused on developing a pipeline of new solutions to drive growth in existing business segments and selected adjacent markets and geographies.

Insurance Solutions provides a comprehensive combination of data and analytics to personal, commercial and life insurance carriers in the US to improve critical aspects of their business, from customer acquisition and underwriting to claims handling. Information solutions, including the most comprehensive US personal loss history database, C.L.U.E.®, help insurers assess risks and provide important inputs to pricing and underwriting insurance policies. Additional key products include LexisNexis® Data Prefill, which provides critical information on customers, potential customers and their auto, property and life policy information directly into the insurance workflow, and LexisNexis® Current Carrier, which identifies current or previous insurance coverage details as well as any lapses in coverage. Insurance Solutions released new driving behaviour products in four states in 2014. These products aggregate court data within specific states to provide insurers with vital traffic violation information for use in underwriting. In the UK, Insurance Solutions' contributory No Claims Discount (NCD) module, which automates verification of consumers' claims history, has achieved data contribution from over 55% of the UK auto insurance sector in just over a year.

In the Insurance business, Risk & Business Information acquired four businesses during 2014. Wunelli is an industry-leading telematics data services company based in the United Kingdom. The combined LexisNexis and Wunelli data sets will result in one of the largest provider-held insurance telematics databases in the world, with solutions to support insurers as they assess risk and discount safer drivers. Risk & Business Information also acquired three US-based businesses to enhance the LexisNexis eCrash solution. iyeTek is an innovative provider of mobile and handheld software solutions, enabling public safety agencies to save time and money and improve services provided to their communities. PoliceReports.US is an online distributor of vehicle accident reports currently in use by 29 states and Coplogic is a leading provider of citizen self-reporting software solutions to law enforcement agencies. In October, a joint venture was signed with Jing You to supply data into the fast-growing auto insurance market in China.

Business Services provides financial institutions with risk management, identity management, fraud detection, credit risk management, and compliance solutions. These include Know Your Customer and Anti-Money Laundering products. The business also provides risk and identity management solutions for corporate customers in retail, telecommunications and utilities sectors. Receivables management solutions help debt recovery professionals in the segmentation, management and collection of consumer and business debt. In 2014, RELX Group plc substantially advanced its international strategy, with the expansion of its international sales force, launch of a simplified Chinese language version of Bridger Insight® XG, a Bank Secrecy Act and Anti-Money Laundering solution, and the ongoing upgrade of the WorldCompliance heightened risk individuals database.

In Business Services, Risk & Business Information acquired Tracesmart, a United Kingdom-based provider of tracing, identity verification, fraud prevention, anti-money laundering, debt collection and data cleansing solutions. Tracesmart, a leader in identity management and fraud solutions in the UK, is a natural complement to Risk & Business Information's core competencies and brings a robust set of UK public records, allowing Risk & Business Information to extend its capabilities beyond the US in order to serve its customers more fully.

Government Solutions provides data and analytics to US federal, state and local law enforcement and government agencies to help solve criminal and intelligence cases and to identify fraud, waste and abuse in government programmes. RELX Group plc's Tax Refund Investigative Solution (TRIS), now sold into eight states and the District of Columbia, continues to generate substantial benefits for both clients and taxpayers, with results to date of over $100m in avoided fraud losses.

Health Care Solutions provides identity, fraud and clinical analytics solutions across key stages of the healthcare workflow to enable intelligent decision making for payers and providers.

During the year, the acquisition of Health Market Science, a leading supplier of high-quality data on healthcare professionals and an administrator of one of the largest practitioner-level medical claim databases in the US, was completed.

The business also provides risk-related information to the legal industry through LexisNexis Legal & Professional.

Outside of these areas, Risk & Business Information provides information and online data services to business professionals worldwide, with high-value industry critical data services, information and tools as well as producing conferences, websites and business magazines. It has many strong global brands with market-leading positions across a wide range of industry sectors.

Data Services include: ICIS, an information and data service in chemicals, energy and fertiliser; Accuity, a provider of services and solutions to the banking and corporate sectors focused on payment efficiency, Know Your Customer, Anti-Money Laundering and compliance; and XpertHR, an online service providing regulatory guidance, best practices and tools for HR professionals. During the year, Accuity completed the acquisition of FircoSoft, a leading provider of watch list filtering solutions for financial institutions and corporates. Accuity also launched risk solutions for customers in trade finance.

Leading Brands include Flightglobal, Farmers Weekly, Boerderij, Fiscaal Totaal, Estates Gazette, Elsevier and New Scientist and deliver a mix of high-quality data, workflow tools and high-value news, information and opinion to business professionals across many industry sectors while also providing an effective marketing channel for customers. During the year Flightglobal completed the acquisition of Innovata, a provider of global airline schedule data. Risk & Business Information also acquired Farmade, a UK-based supplier of crop recording, mapping and precision farming workflow tools.

In 2014, Risk & Business Information continued to reshape its portfolio, exiting areas not core to its strategy. As part of this strategy, 51% of Reed Construction Data (RCD), a provider of online construction data and information to the construction industry was divested, and 100% of RS Means, a construction costing service which had previously been a division of RCD. Risk & Business Information also completed its exit from its Marketing Solutions businesses, including the sales of BuyerZone and emedia and one divestment of a portfolio of B2B assets from its Netherlands operation is now also completed.

Market opportunities

Risk & Business Information operates in markets with strong long-term underlying growth drivers with growing demand for high-quality industry data and information and insight including: insurance underwriting transactions; insurance, healthcare, tax and entitlement fraud; credit defaults and financial fraud; regulatory compliance and due diligence requirements surrounding customer enrolment; security and privacy considerations; and data and analytics for the banking, energy and chemicals, human resources and aviation sectors.

In the insurance segment, growth is supported by increasing transactional activity in the auto, property and life insurance markets and the increasing adoption by insurance carriers of more sophisticated data and analytics in the prospecting, underwriting and claims evaluation processes, to assess underwriting risk, increase competitiveness and improve operating cost efficiency. Transactional activity is driven by growth in insurance quoting and policy switching, as consumers seek better policy terms. This activity is stimulated by competition among insurance companies, high levels of carrier advertising, and rising levels of internet quoting and policy binding.

A number of factors support growth in banking and financial services markets, including cross-border payments and trade finance levels, new credit originations, continued high fraud losses, stringent regulatory compliance requirements, and increasing anti-money laundering fines. In receivables management, demand is driven mainly by levels of consumer debt and the prospect of recovering that debt, which is impacted by employment conditions in the US. In corporate markets, demand is supported by growth in online retail sales and continued high levels of credit card fraud. Growth in government markets is driven by the increasing use of data and analytics to combat criminal activity, fraud and tax evasion, and to address security issues. The level and timing of demand in this market is influenced by government funding and revenue considerations. In Health Care, there are numerous growth drivers for fraud and analytics solutions including the expansion of insurance coverage under the Affordable Care Act and the focus on cost containment and better patient outcomes.

Growth in the global energy and chemicals markets is driven by increasing trade and demand for more sophisticated information solutions. Risk & Business Information's aviation information markets are being driven by increases in air traffic and in the number of aircraft transactions.

Strategic priorities
Risk & Business Information's strategic goal is to help businesses and government achieve better outcomes with information and decision support in its individual markets through better understanding of risks associated with individuals, other businesses and transactions. By providing the highest quality industry data and tools, we assist customers in understanding their markets and managing risks efficiently and cost effectively. To achieve this, Risk & Business Information is focused on: delivering innovative new products across customer workflows; expanding the range of risk management solutions across adjacent markets; addressing international opportunities in selected markets to meet local needs; further growing its data services businesses, and continuing to strengthen its content, technology and analytical capabilities.

Business model, distribution channels and competition
Risk & Business Information's products in Insurance, Business Services and Government are for the most part sold directly, with pricing predominantly on a transactional basis for insurance carriers and corporations, and primarily on a subscription basis for government entities.

Data services are typically sold directly on a subscription or transactional basis. Business magazines are mainly distributed on a paid basis. Advertising revenues are sold directly.

Risk & Business Information and Verisk, a competitor, each sell data and analytics solutions to insurance carriers but largely address different activities. Risk & Business Information's principal competitors in business services and government segments include Thomson Reuters and major credit bureaus, which in many cases address different activities in these segments as well.

Risk & Business Information's data services and leading brands compete with a number of information providers on a service and title-by-title basis including: Platts, Thomson Reuters, HIS and Wolters Kluwer as well as many niche and privately owned competitors. Risk & Business Information competes for online advertising with other business-to-business websites, search engines and social media.

Across Risk & Business Information, user and subscription revenues now account for 94% of the total business with the remaining 6% derived from print and online advertising. Electronic revenue streams now account for 85% of total revenue.

2014 financial performance

Strong underlying revenue growth was driven by volume growth, new product roll-outs and expansion in adjacent segments. Underlying profit growth broadly matched revenue growth reflecting ongoing organic initiatives.

Underlying revenue growth was +6% and underlying adjusted operating profit growth was +6%. The difference between the reported and underlying growth rates reflects the impact of exchange rate movements and portfolio changes.

Strong growth in the insurance segment was driven by solid demand for the US auto underwriting business, good take up of new products and services across the insurance workflow, and expansion in adjacent market verticals. The international initiatives are progressing well.

In Business Services, growth was driven by demand for identity authentication and fraud detection solutions, particularly in the financial services sector.

In Government, the state and local segment continued to achieve strong growth. Federal government revenue trends improved during the year.

Major Data Services maintained strong underlying revenue growth, driven by Accuity, XpertHR and ICIS, and other magazines and services were stable.

In 2014 we continued to support organic growth through the acquisition of data and analytics assets. In 2014 we completed the acquisition of Innovata, a provider of airline schedule data, Tracesmart, a provider of UK public records, Wunelli, a provider of telematics solutions for the auto industry, FircoSoft, a provider of anti-money laundering solutions for the financial services industry, and Health Market Science, a supplier of high-quality data on healthcare professionals.

We also exited assets that no longer fit our strategy, including the disposal of several magazines and the spin-off of certain construction industry assets.

2015 Outlook

The fundamental growth drivers of Risk & Business Information remain strong. We expect underlying revenue growth trends to continue in 2015.

Legal

Serving customers in more than 175 countries, LexisNexis Legal & Professional provides resources and services that inform decisions, increase productivity and drive new business.

Revenues for the year ended 31 December 2014 were £1,396m. LexisNexis Legal & Professional is headquartered in New York and has principal operations in the New York area, Ohio and North Carolina in the US, Toronto in Canada, London and Paris in Europe, and cities in several other countries in Africa and Asia Pacific. It has 9,500 employees worldwide. Approximately 66% of revenue by destination in 2014 was derived from North America, 23% from Europe and the remaining 11% from the rest of the world.

LexisNexis Legal & Professional is organised in market-facing groups. These are supported by global shared services organisations providing platform and product development, operational and distribution services, and other support functions.

In North America, electronic information solutions and innovative workflow tools from Research Solutions have been developed through close collaboration with customers, help legal and business professionals make better informed decisions in the practice of law and in managing their businesses. Flagship products for legal research are Lexis.com and Lexis Advance, which provide federal and state statutes and case law, together with analysis and expert commentaries from sources such as Matthew Bender and Michie and the leading citation service Shepard's, which advises on the continuing relevance of case law precedents. Research solutions also include news and business information, ranging from daily news to company filings, as well as public records information and analytics. LexisNexis also partners with law schools to provide services to students as part of their training.

In 2014, LexisNexis continued to release new versions of Lexis Advance, an innovative web application designed to transform how legal professionals conduct research. Built on an advanced technology platform, Lexis Advance allows primary researchers within legal and professional organisations to find relevant information more easily and efficiently, helping to drive better outcomes. Future releases will continue to expand content and outreach and add new innovative tools. LexisNexis employs lawyers and trained editors with professional legal backgrounds who review, annotate and update the legal content to help ensure each document in the collection is current and comprehensive. This domain expertise combined with the application of RELX Group plc's big data HPCC technology means LexisNexis is able to update its entire legal collection faster and more efficiently, while also identifying and linking content, enabling customers to uncover previously undiscovered relationships between documents.

New workflow and analytical tools and content sets are regularly introduced on Lexis Advance. For example, in 2014 LexisNexis launched LexisNexis Counsel Benchmarking, a new analytics solution that works with Verdict & Settlement Analyzer to inform litigation strategy decisions. Also, LexisNexis launched new modules for Lexis Practice Advisor, a web-based practical guidance product tailored for attorneys who handle transactional matters.

LexisNexis Business & Litigation Software Solutions serves as the software arm for the company. Its business of law software provides law firms with practice management solutions, including time and billing systems, case management, cost recovery and document management services. Its litigation software provides lawyers with a suite of tools covering case preparation to processing and review to trial preparation. During 2014, LexisNexis released multiple new versions for its existing portfolio including CounselLink, PCLaw, Sanction and Firm Manager.

In international markets outside the US, LexisNexis serves legal, corporate, government, accounting and academic markets in Europe, Canada, Africa and Asia Pacific with local and international legal, regulatory and business information. The most significant businesses are in the UK, France, Australia, Canada and South Africa.

LexisNexis focuses on providing customers with leading collections of content and innovative online solutions to help legal and business professionals make better decisions more efficiently. Penetration of online information services has grown strongly and electronic solutions now account for 63% of revenue outside the US.

In the UK, LexisNexis is a leading legal information provider offering an unrivalled collection of primary and secondary legislation, case law, expert commentary, and forms and precedents. Its extensive portfolio includes a number of heritage brands: Halsbury's, Tolleys and Butterworths. The content is delivered through multiple formats – from print to online to mobile apps and embedded in customers' workflow.

In 2014, LexisNexis launched additional modules for the UK LexisPSL product suite which provides lawyers with a single destination for their practical legal information needs with direct links to the relevant cases, legislation, precedents, forms, practical guidance and expert commentary.

In France, LexisNexis is a leading online provider of information to lawyers, notaries and courts. A heritage brand JurisClasseur and leading authoritative content is provided through multiple formats – lexisnexis.fr, mobile and in print. These content sources are, as in the UK, being combined with new content and innovative workflow tools to develop practical guidance and practice management solutions. In 2014, LexisNexis France continued to enhance Lexis 360, the first semantic search online tool combining legal information, practical content and results from the web by providing tailored solutions for the public sector and the accounting markets.

Additional practical guidance solutions were launched in Canada, South Africa and Australia. Following the continued success of Lexis Advance in the US, an Australian version was launched in 2014 and additional international launches are planned.

In 2014, LexisNexis Legal & Professional strengthened its positions in Asia by introducing products created specifically for legal professionals and practitioners, corporate counsels, legal researchers and government institutions in markets including India, China and Japan. New practical guidance offerings are now available in China, Hong Kong and Japan. Also, LexisNexis continued its investment in broadening its core content offerings in India, Singapore and other countries in the region.

Market opportunities
Longer-term growth in legal and regulatory markets worldwide is driven by increasing levels of legislation, regulation, regulatory complexity and litigation, and an increasing number of lawyers. Additional market opportunities are presented by the increasing demand for online information solutions and practice management tools that improve the quality and productivity of research, deliver better legal outcomes, and improve business performance. Notwithstanding this, legal activity and legal information markets are also influenced by economic conditions and corporate activity, as has been seen with the dampening of demand and the subdued environment in North America and Europe in the aftermath of the global recession.

Strategic priorities
LexisNexis Legal & Professional's strategic goal is to enable better legal outcomes and be the leading provider of productivity-enhancing information and information-based workflow solutions in its markets. To achieve this LexisNexis is focused on introducing next generation products and solutions on the global New Lexis platform and infrastructure; leveraging New Lexis globally to continue to drive print to electronic migration and long-term international growth; and upgrading operational infrastructure, improving process efficiency and gradually improving margins.

In the US, LexisNexis' focus is on the continuing development of next generation legal research and practice solutions. It is also conducting a major upgrade in operations infrastructure and customer service and support platforms. This will provide customers with an integrated and superior experience across multiple products and solutions. Over the next few years progressive product introductions, often based on the New Lexis platform, leveraging big data HPCC technology, will combine advanced technology with enriched content, sophisticated analytics and applications to enable LexisNexis' customers to make better legal decisions and drive better outcomes for their organisations and clients.

Outside the US, LexisNexis is focused on growing online services and developing further high-quality actionable content and workflow tools, including the continuous development of practical guidance and practice management applications. In 2015, LexisNexis will continue to introduce New Lexis globally. Additionally, LexisNexis is focusing on the expansion of its activities in emerging markets.

Business model, distribution channels and competition
LexisNexis Legal & Professional products and services are generally sold directly to law firms and to corporate, government, accounting and academic customers on a paid subscription basis, with subscriptions with law firms often under multi-year contracts.

Principal competitors for LexisNexis in US legal markets are West (Thomson Reuters), and CCH (Wolters Kluwer) and Bloomberg. In news and business information they are Bloomberg and Factiva (News Corporation). Competitors in litigation solutions also include software companies. Significant international competitors include Thomson Reuters, Wolters Kluwer and Factiva.

2014 financial performance

Underlying revenue trends remained unchanged in 2014, with subdued market conditions in the US and Europe limiting overall revenue growth. The improvement in profitability reflects a combination of process innovation, infrastructure decommissioning and portfolio reshaping.

Underlying revenue growth was +1% and underlying adjusted operating profit growth was +6%. The difference between the reported and underlying growth rates reflects the impact of exchange rate movements and portfolio changes.

Electronic revenues, which now account for 77% of the total, saw continued growth, partially offset by print declines.

US and European markets remained stable but subdued. In other international markets we continued to see good growth.

The roll-out of new platform releases continued in 2014, and adoption and usage rates for new products and solutions have continued to progress well.

Around one percentage point of the 270 basis points of margin improvement was achieved through organic process innovation and infrastructure decommissioning, with the balance largely reflecting portfolio changes.

2015 Outlook

Trends in our major customer markets are unchanged, limiting the scope for underlying revenue growth. We will maintain our focus on process innovation, and expect further improvement in profitability over the medium term, albeit at a modest rate in 2015 following the sharp margin increase in 2014.

Exhibitions

Reed Exhibitions' portfolio of exhibitions and conferences serves 43 industry sectors across the globe. In 2014, Reed Exhibitions brought together over 7m event participants from around the world, generating billions of dollars of business and facilitating entry into new markets for its customers and boosting the local economies where the events are hosted.

Revenues for the year ended 31 December 2014 were £890m. Reed Exhibitions is a global business headquartered in London and has principal offices in Paris, Vienna, Norwalk (Connecticut), Sao Paulo, Abu Dhabi, Beijing, Moscow, Tokyo and Sydney. Reed Exhibitions has 3,700 employees worldwide. In 2014, approximately 16% of Exhibitions' revenue came from North America, 47% from Europe and the remaining 37% from the rest of the world on an event location basis.

Reed Exhibitions organises market-leading events which are relevant to industry needs, where participants from around the world meet face-to-face to do business, to network and to learn. Its exhibitions and conferences encompass a wide range of sectors. They include construction, cosmetics, electronics, energy and alternative energy, engineering, entertainment, gifts and jewellery, healthcare, hospitality, interior design, logistics, manufacturing, pharmaceuticals, real estate, recreation, security and safety, transport and travel.

Market opportunities
Growth in the exhibitions market is influenced by both business-to-business marketing spend and business investment. Historically, these have been driven by levels of corporate profitability, which in turn has followed overall growth in GDP. Emerging markets and higher growth sectors provide additional opportunities for Reed Exhibitions. As some events are held other than annually, growth in any one year is affected by the cycle of non-annual exhibitions.

STRATEGIC REPORT

Strategic priorities
Reed Exhibitions' strategic goal is to understand and respond to its customers' evolving needs and objectives better than its competition through deep knowledge of its customers and the markets they serve.

Reed Exhibitions delivers a platform for industry communities to conduct business, to network and to learn through a range of market-leading events in growth sectors, especially in higher growth geographies, enabling exhibitors to target and reach new customers quickly and cost effectively.

Organic growth will be achieved by continuing to generate greater customer value through the intelligent application of customer knowledge, by developing new events, and by building out technology platforms to ensure the rapid deployment of innovation and best practices across the organisation. Reed Exhibitions is also shaping its portfolio through a combination of strategic partnerships and acquisitions in high-growth sectors and geographies as well as by withdrawing from markets and industries with lower long-term growth prospects.

Reed Exhibitions is committed to continuously improving customer solutions and experience. By providing a variety of services, including its integrated web platform, we continue to drive customer satisfaction. Using customer insights, Reed Exhibitions has developed an innovative product offering which enhances the value proposition for exhibitors by broadening their options in terms of the type and location of stand they take and the timing of their commitment to the event.

In 2014 Reed Exhibitions launched 36 new events. These included many events which delivered on the strategy of taking sector expertise, customer relationships and leading brands from one market and extending them into new geographies using local operational capability. Mipim, the leading property show held annually in Cannes, responded to the buoyant UK property market with the launch of an offshoot in London; FIBO China (health and fitness) was launched in Shanghai, building on the successful and long running German event FIBO; and in Singapore, Reed Exhibitions launched an Asian version of Maison&Objet, the leading design-led home and furniture show held twice a year in Paris.

A number of targeted acquisitions and investments were completed during 2014. Increasing its holding in Reed Tüyap gave Reed Exhibitions a strong position in Turkey, and with the acquisition of Fidalex and AFG, Reed Exhibitions achieved market leader status in Mexico. The Mexican acquisitions brought events such as Expo Carga (transport and logistics) and the Beauty Show into its portfolio. In addition, an investment in the Bakery event, serving the bakery and confectionery industry, broadened its footprint in China.

Business model, distribution channels and competition
The substantial majority of Reed Exhibitions' revenues are from sales of exhibition space. The balance includes conference fees, online and offline advertising, sponsorship fees and, for some shows, admission charges. Exhibition space is sold directly or through local agents where applicable. Reed Exhibitions often works in collaboration with trade associations, which use the events to promote access for members to domestic and export markets, and with governments, for whom events can provide important support to stimulate foreign investment and promote regional and national enterprise. Increasingly, Reed Exhibitions is offering visitors and exhibitors the opportunity to interact before and after the show through the use of online and mobile tools such as directories and matchmaking.

Reed Exhibitions is the global market leader in a fragmented industry, holding less than a 10% global market share. Other international exhibition organisers include UBM, Informa IIR and some of the larger German Messe, including Messe Frankfurt, Messe Düsseldorf and Messe Munich. Competition also comes from industry trade associations and convention centre and exhibition hall owners.

2014 financial performance

Exhibitions achieved another year of strong underlying revenue and profit growth, and continued to actively pursue growth opportunities through new launches and small acquisitions.

Underlying revenue growth was +7% and underlying adjusted operating profit growth was +9%. Had the effects of exhibition cycling been included underlying revenue growth would have been around two percentage points higher. The difference between the reported and underlying growth rates primarily reflects the impact of exchange rate movements.

The US and Japan achieved strong growth. In the US, growth reflected strong demand across our broad portfolio of leading events. Strong growth in Japan was driven by new launches and strong demand across our major events. Europe saw modest growth overall. Domestic markets remained subdued, but international events in the UK and France achieved good growth.

China continued to see strong growth in certain sectors, and moderate growth elsewhere. Revenues in Brazil reflected good growth in some of our leading events, but a slowdown in the wider economy. Most other markets continued to grow strongly.

In 2014 we launched 36 new events and completed several small acquisitions and joint venture investments, primarily in high-growth geographies and sectors.

2015 Outlook

We expect underlying revenue growth trends to continue, with strong growth in the US and Japan and modest growth in Europe. In other markets the outlook remains strong, albeit slightly below the high levels achieved in recent years. In 2015 we expect cycling out effects to reduce the overall revenue growth rate by three to four percentage points.

CORPORATE RESPONSIBILITY

Corporate responsibility ensures good management of risks and opportunities, helps us attract and retain the best people, and strengthens our corporate reputation. It means performing to the highest commercial and ethical standards and channelling our knowledge and strengths, as global leaders in our industries, to make a difference to society.

Consistent engagement with stakeholders, including shareholders, employees, governments and communities where we operate, helps us determine material corporate responsibility issues. The Board of Directors, senior management and the Corporate Responsibility Forum oversee corresponding objectives and monitor performance against them.

Our unique contributions

We focus on areas where we can make a positive impact on society through our unique knowledge, resources, and skills including universal sustainable access to information, advance of science and health, protection of society and promotion of the rule of law and justice.

Scientific, Technical & Medical
Elsevier, the world's leading provider of scientific, technical and medical information, plays an important role in advancing human welfare and economic progress through its science and health information, which spurs innovation and enables critical decision making. To broaden access to its content, Elsevier supports programmes where resources are often scarce. Among them is Research4Life, a partnership with United Nations agencies and other publishers; we provide core and cutting-edge scientific information to researchers in more than 100 developing countries. As a founding partner, we contribute over a quarter of the material available in Research4Life, encompassing all ScienceDirect content, including more than 3,000 Elsevier journals and nearly 13,000 books. In 2014, there were more than 3.9m Research4Life article downloads from ScienceDirect. In the year, Elsevier collaborated with the World Bank to examine research trends across Africa to help countries understand how to invest in science, technology, engineering and mathematics research in order to advance competitiveness, independence and cooperation. The findings show that while international collaboration is high, more engagement among African countries will benefit the continent overall.

Risk & Business Information
Risk & Business Information tools and resources help protect society. During the year, it enhanced its eCrash solution, which aids law enforcement professionals by automating vehicle crash reporting from initial data capture to report distribution. Through the 2014 acquisition of Coplogic, eCrash now has a citizen incident reporting capability, eliminating the need to dispatch officers to minor incidents. This will allow forces to allocate resources to more serious issues, potentially saving lives – more US law enforcement officers died in traffic-related accidents than from gun crime (2010). Risk & Business Information employees created the Automated Delivery of Alerts on Missing Children (ADAM) programme, which assists in the safe recovery of missing children. Since launching in 2000, 142 children have been located, including three in 2014. It also uses the power of its brands to aid communities. In 2014, to help young farmers, the business unit's Farmers Weekly title hosted its annual business event, Fertile Minds. 150 farmers in the early stages of their careers heard presentations by entrepreneurs and industry experts on jobs, wages, benefits, work load and also had the chance to address the UK's Farming Minister.

Legal
LexisNexis Legal & Professional promotes justice through its products and services. In 2014, it partnered with the UK National Archives on Big Data for Law to provide new open data, tools and research methodologies to more easily maintain and interpret vast amounts of current legislation. It launched a free iPhone app, My Legal Places, which locates UK police stations, courts, citizen advice bureaus and community legal offices to support access to justice. It also released Dressed to Kill, a report examining the cotton industry and human trafficking undertaken in conjunction with STOP THE TRAFFIK. The report measures media coverage of both fashion and human trafficking to highlight key issues and ways participants in the global cotton supply chain are working to prevent trafficking through campaign-driven community action.

Exhibitions
Reed Exhibitions' trade shows provide platforms for supporting our corporate responsibility focus areas. At the start of 2014, Comic Con New York, which attracted 151,000 attendees, joined the Comic Book Legal Defense Fund, a non-profit organisation protecting the rights of comics artists, publishers, retailers, librarians and fans. During the year, to support the development of the event management industry in China, launched a new annual scholarship programme benefitting 50 university students studying relevant subjects. Its South African office won a 2014 Corporate Social Responsibility Award from Media 24 for its support of indigenous communities.

STRATEGIC REPORT

Across RELX Group plc

In 2014, we helped advance Business for the Rule of Law, a global initiative led by the UN Global Compact with the support of other organisations including the Atlantic Council, the World Justice Project and the International Chamber of Commerce. Key developments in the year include the creation of a Steering Group and the start of international consultation on a formal framework to be launched in 2015 focused on actions, practical examples and interactive technology to promote corporate support for the rule of law around the world.

During the year we began working with Oxfam on Raising Her Voice to strengthen women's rights in Nepal. We have supported efforts to develop 90 community discussion groups across districts in the country's midwest region. The groups aim to empower women, helping them develop action plans to address personal, family and community challenges, while training for men aims to increase awareness of gender equality. We are providing access to content in health, water, sanitation, education and forestry use. Our partnership has also broadened to include assistance with Oxfam's Action4Justice project, an online legal information platform to facilitate cases that promote positive social change, in collaboration with Greenpeace, Transparency International and Avocats Sans Frontières.

Governance

RELX Group plc's Code of Ethics and Business Conduct (the Code) is disseminated to every employee and sets the standards for our corporate and individual conduct. The Code has been updated for release during the first half of 2015. The revised Code describes our social media policy and includes learning aids, increased interactivity and streamlined wording. Among other topics, the Code addresses fair competition, anti-bribery, conflicts of interest, employment practices, data protection and appropriate use of company property and information. It also encourages reporting of violations – with an anonymous reporting option – and prohibits retaliation. It makes clear our commitment to human rights, incorporating the principles of the United Nations Global Compact (UNGC). In accordance with the UN's Guiding Principles on Business and Human Rights, we have considered where and how we operate and have concluded that there is low human rights risk in our direct employment activities (for more information on human rights see Supply Chain).

All employees complete training on the Code, as part of their new hire induction and at regular intervals, to ensure their understanding and acknowledgement of the Code. In 2014, NYSE Governance Services ranked our Code among the top 10% of more than 2,500 codes it has evaluated.

We also provide mandatory online training on anti-bribery, competition laws, protecting data and preventing workplace harassment, supplemented by in-person training for higher-risk roles. We routinely issue computer-based training on these same topics to new employees. We achieve 100% completion rates for all courses within four months of issuance.

In 2014, we remained diligent in our ongoing efforts to ensure compliance with applicable bribery laws. We improved processes to ensure compliance with sanctions laws and are updating relevant policy and compliance tools. We also released new Privacy Principles setting out our approach to data protection and privacy.

As a signatory to the UNGC and its principles, encompassing labour, environment, anti-corruption, as well as human rights, we demonstrated leadership in 2014 by serving on the UNGC Advisory Group for the UK and the UNGC Supply Chain and Caring for Climate Advisory Groups. We were also on the board of the Alliance for Water Stewardship. UNGC peers judged our 2014 Communication on Progress, required of signatories each year, to have attained Advanced Level. In the year, we served on the UN Secretary General's legal taskforce helping to consider post-2015 sustainable development goals.

People

Our 28,500 people are our strength. Our workforce is 53% female and 47% male, with an average length of service of eight years. There were 44% female and 56% male managers, and 29% female and 71% male senior operational managers. Senior operational managers are defined as those managers up to and including three reporting lines from the CEO.

RELX Group plc's Nominations Committee considers the knowledge, experience and background of individual Board Directors. At year end 2014, women made up 30% of the members of the Reed Elsevier NV Board and 22% of the members of the Reed Elsevier PLC Board. The two senior management Executive Directors on the Board are male.

RELX Group plc's Diversity and Inclusion (D&I) Statement (www.relxgroup.com/go/Diversity), articulates our commitment to a diverse workforce and environment that respects individuals and their contributions, regardless of gender, race or other characteristics. Our D&I Strategy is focused on translating the Statement into practical action. Among its commitments is maintaining a D&I Advisory Group composed of a senior business and HR leader from each business unit, supported by a broader D&I Working Group. We encourage both affinity groups, such as women's forums, which provide support and mentoring, and community involvement.

During 2014, we took steps to develop inclusive leadership as a core management competency engaging our heads of talent to ensure it is incorporated in manager training. We reviewed our Business Leadership Programme course syllabus for up and coming leaders to ensure it contains relevant themes. In the year, we joined Business in the Community's Opportunity Now initiative to tap into additional D&I expertise, shared with our D&I networks.

In 2014, CEO Erik Engstrom signed the Women's Empowerment Principles, a UN Global Compact and UN Women initiative, which aim to help companies empower women and promote gender equality. In the year, we created a template for reviewing our existing practices relative to the Principles.

Our employees have the right to a healthy and safe workplace as outlined in RELX Group plc's Global Health and Safety Policy. We concentrate on areas of greatest risk, for example, warehouses, events and exhibitions. However, as a primarily office-based company, our key impact areas are manual handling, slips, trips and falls. To reduce our severity rate (lost days per 200,000 hours worked), we conduct risk assessments, and work with a third party in the US to assign a nurse case manager to each complex or severe claim. The number of lost time reportable cases decreased in the year (23 in 2014 vs 31 in 2013).

In the US, where we have our largest concentration of employees, the REACH programme promotes workplace wellbeing through health screenings, online assessments, stress awareness training and weight loss and smoking cessation courses, with financial incentives for participation. In 2014, we continued our US health coach programme which provides personalised support to all staff. 1,530 employees worked with a coach to help with issues related to diet, exercise and smoking; 3,071 calls were made to CareConnect, our health concierge service.

Our annual re:fit2win global wellbeing competition encourages employees to establish fitness teams to compete for cash prizes for charities of their choice. Across RELX Group plc, 79 teams took part and ran, walked, cycled and swam a total of 89,195 miles/143,545 kilometres, with a 22% increase in the number of participants over 2013.

Customers

In 2014, we surveyed over 450,000 customers through Net Promoter Score (measuring customer loyalty) and business dashboard programmes. This allows us to deepen our understanding of their needs and further drives forward a customer-centric culture across RELX Group plc. Results, reviewed by the CEO and senior operational managers and communicated to staff, highlight where we are doing well and where we must do better. To aid colleagues who work with customers, during the year we continued to incorporate CR into customer-facing staff training with outreach to key sales and marketing teams. We updated our intranet resource, CR as a Sales Tool; created a CR fast facts document distributed across the business; and developed new CR Sales Academy content.

In the year, we translated RELX Group plc's Editorial Policy into 12 languages. The Policy commits us to producing information of the highest quality and encompasses, among other key issues, producing content that is accurate, clear, timely, avoids bias, defamation, conflict of interest, plagiarism and makes a distinction between editorial and advertising. In 2014, we also created and rolled out an Editorial Policy for Suppliers and launched Quality First Principles with a message to all employees from the Chief Legal Officer and Company Secretary. More than 100 employees and other stakeholders helped develop the Principles, and a new Quality First Working Group has been formed.

We are committed to improving access to our products and services for all users, regardless of physical ability. Our Accessibility Policy – developed in 2013 to lead the industry in providing accessibility solutions to customers with products that are operable, understandable and robust – was disseminated to all employees by the Chief Strategy Officer at the start of 2014. In the year, 33 key product sites were reviewed, and accessibility challenges and opportunities were the theme of the 2014 CR Forum Stakeholder session; participants included a corporate peer responsible for accessibility, a member of Elsevier's Accessibility and Usability Collaboration Group, who herself is a blind user, the founder of a disability NGO and the leader of our Accessibility Working Group. The session was webcast to a live audience and made available on the corporate intranet for all employees. In 2014, members of the Accessibility Working Group logged over 100 accessibility projects and Elsevier's Global Books Digital Archive fulfilled more than 4,500 disability requests, 60% of them through AccessText.org, a service it helped establish.

Community

RE Cares, our global community programme, promotes education for disadvantaged young people that advances one or more of our unique contributions as a business, and allows staff up to two days' paid leave per year for their own community work. We donated £3.4m in cash (including through matching gifts) and the equivalent of £2.6m in products, services and staff time in 2014. 32% of employees were engaged in volunteering through RE Cares and we reached nearly 34,000 disadvantaged young people through time, in-kind and cash donations. In the year, we expanded our RE Cares Champions network with 21 new Champions (190 in total) covering 19 offices; we also created an induction programme to help them plan activities and engage staff. In 2014, we increased volunteering in company time by 6%.

Each September, we hold RE Cares Month to celebrate our community activities and in 2014, over 50% of RELX Group plc's locations around the world took part. Among them, LexisNexis Legal & Professional in New York helped organise a children's library for Books for Kids, while their counterparts in South Africa engaged senior leaders in cycling over 200km to raise funds for three charities in Johannesburg, Durban and Cape Town.

During RE Cares Month, we held our annual global book drive yielding nearly 11,000 books for local and developing world readers, and announced the winners of the fourth Recognising Those Who Care Awards to highlight the contributions to RE Cares of eight individuals and four RE Cares teams. Individual winners from across the business travelled to Cameroon with Book Aid International, a charity partner for more than 10 years, which provides books and library support services to 12 countries in sub-Saharan Africa. The trip was led by Youngsuk 'YS' Chi, RELX Group plc Director of Corporate Affairs. Among the teams winning for exceptional community engagement were Risk & Business Information Skokie, Illinois which organised 29 volunteer programmes over one year and Reed Exhibitions Norwalk, Connecticut which volunteered more than 500 hours in the same period.

Supply chain

We require our suppliers to meet the high standards we set for ourselves. Our Supplier Code of Conduct stipulates adherence to all laws and best practice in areas such as human rights, labour and the environment. Through our Socially Responsible Supplier (SRS) database, in 2014, we tracked 499 critical, preferred and strategic suppliers, and those we deem high risk according to the Carnstone Supplier Risk Tool developed for RELX Group plc which incorporates eight indicators, including human trafficking information from the US State Department and Environmental Performance Index results produced by Yale and Columbia universities. The tracking list changes year-on-year based on the number of suppliers we do business with who meet the required criteria. We started 2014 with 57% of suppliers on the SRS tracking list as signatories to the Supplier Code and reached 84% by year end (2% of the total are suppliers which have provided internal codes, which we believe to be as stringent as our own, in lieu). We have embedded signing the Supplier Code into our e-sourcing tool as a criterion for doing business with us, and have an additional 1,885 supplier signatories.

Specialist supply chain auditors, Intertek, undertook 56 external audits of high-risk suppliers, using their comprehensive Workplace Conditions Assessment template. Any incidence of non-compliance identified in the audit process triggers a corrective action plan agreed with the supplier, with remediation required on all issues.

We implemented our new US Supplier Diversity programme in 2014, which invites tenders from diverse suppliers, and all relevant staff received training. The programme provides suppliers with feedback after competitive bidding and opportunities for development, while an improved diverse supplier tracking system is helping us understand how we are doing in this area.

Environment

Our environmental targets reflect our performance and focus areas and can be found, along with full details, in the 2014 Corporate Responsibility Report at www.relxgroup.com/go/CRReport.

In 2014, we purchased 46% of our electricity from renewable energy and renewable energy certificates, and were ranked among the top FTSE 350 companies for disclosure in the 2014 CDP Leadership Index, representing 767 investors with assets of $92,000bn. RELX Group plc received an A grade in CDP's Global Performance Leadership Index.

Our Environmental Champions network, employee-led Green Teams, and engagement through networks such as Publishers database for Responsible Ethical Paper Sourcing, inform how we address our environmental impacts. Our Environmental Standards programme sets benchmark performance levels and inspires green competition among offices. In 2014, 81 sites (72% of key locations) achieved five or more standards and attained green status. The Chief Financial Officer wrote to all staff recognising their achievements on World Environment Day and also identified Green Heroes across the company, nominated by their peers for their environmental efforts. New in 2014, Green Teams submitted environmental project ideas to engage staff; winners received funding to carry out their plans. The overall winner of the individual category chose to join a research expedition with Earthwatch in Malawi.

We have a positive environmental impact through our environmental publications and services which spread good practice, encourage debate and aid researchers and decision makers. The most recent results from independent Market Analysis System show our share of citations in environmental science represented 40% of the total market, and 79% in energy and fuels. In the year, we continued to map the range of our environmental products and services, covering some 400 products on areas such as ocean and coastal management, forestry, environmental law and waste management, and trade shows on environmental engineering, renewable energy and water.

We have reported on all emission sources required under the Companies Act 2006 (Strategic Report and Directors' Report), Regulations 2013. These sources fall within our consolidated financial statement. We have included emissions from the operating companies within the consolidated business.

We have used the GHG Protocol Corporate Accounting and Reporting Standard (revised edition) and the data has been assured by an independent third party, EY. Details on methodology and the assurance statement can be viewed in the 2014 Corporate Responsibility Report at www.relxgroup.com/go/CRReport.

STRATEGIC REPORT

FINANCIAL REVIEW

Growth of underlying revenue, which excludes the effects of currency translation, acquisitions, disposals and revenues from exhibition cycling, was 3%. Reported revenue for the year was £5,752m (2013: £6,012m), down 4%. If exhibition cycling effects had been included, underlying revenue growth would have been 4%.

The overall impact of disposals in 2014 was to reduce revenue growth by 4%, partially offset by a 1% contribution from acquisitions. Disposals made throughout 2014 will continue to impact reported revenues and operating profit growth rates in 2015.

The impact of currency movements was to reduce revenues by 5%, principally due to the weakening of the US dollar, on average, against sterling during 2014.

Adjusted operating profit is the key segmental profit measure used by RELX Group plc in assessing performance. It is stated before amortisation of acquired intangible assets, the share of profit on disposals in joint ventures, acquisition-related costs, and is grossed up to exclude the equity share of taxes in joint ventures. Adjusted operating profit is reconciled to operating profit in note 10. Underlying growth rates are the year on year change at constant currencies, excluding the results of all acquisitions and disposals made both in the year and prior year, assets held for sale, and revenues from exhibition cycling. Comparison at constant exchange rates uses 2013 full year and hedge exchange rates.

Adjusted operating profit was £1,688m (2013: £1,710m), down 1%. At constant currencies, adjusted operating profit was up 5%. Underlying adjusted operating profit grew ahead of revenue at 5%.

Interest expense was £372m (2013: £435m). The reduction primarily reflects the benefit of term debt refinancing at lower rates and currency translation effects.

The net pension expense, excluding the net pension financing charge, was £95m (2013: £61m), including settlement and past service credits of £15m (2013: £59m).

The weighted average applicable tax rate for the year was 27% (2013: 28%).

The application of tax law and practice is subject to some uncertainty and amounts are provided in respect of this. Discussions with tax authorities relating to cross-border transactions and other matters are ongoing. Although the outcome of these discussions cannot be predicted, no significant impact on profitability is expected.

Reported operating profit, after amortisation of acquired intangibles and acquisition-related costs, was £1,351m (2013: £1,336m).

The amortisation charge in respect of acquired intangible assets, including the share of amortisation in joint ventures, amounted to £286m (2013: £319m). Acquisition-related costs were £30m (2013: £43m), including a charge for deferred consideration payments required to be expensed under IFRS.

The reported profit before tax was £1,078m (2013: £918m).

Reported net finance costs include a charge of £15m (2013: £19m) in respect of the defined benefit pension schemes. Net pre-tax disposal gains were £99m (2013: £17m).

The reported tax charge was £266m (2013: £91m). The reported net profit attributable to equity shareholders was £807m (2013: £822m).

During the year the company paid dividends to Reed Elsevier PLC of £500m (2013: nil) on the "R" ordinary shares, nil (2013: nil) on the "E" ordinary shares, and preference dividends of £7,500 (2013: £7,500). Subsidiary undertakings paid a dividend of £242m (2013: nil) to Reed Elsevier NV in respect of its holding of shares with special dividend rights in Reed Elsevier Overseas BV.

STRATEGIC REPORT

Cash flows

Cash generated from operations was £1,799m (2013: £1,900m), down 5% compared with the prior year. After net interest payments of £323m (2013: £437m) and net tax paid of £329m (2013: £345m), net cash from operating activities was £1,147m (2013: £1,118m).

Capital expenditure was £270m (2013: £308m), including £203m (2013: £251m) in respect of capitalised development costs included within internally generated intangible assets. This reflects the sustained investment in new products and related infrastructure, particularly in the Legal business. Depreciation and the amortisation of capitalised development costs was £237m (2013: £249m).

Payments made in respect of acquisition-related costs amounted to £27m (2013: £28m). Payments relating to exceptional restructuring programmes from prior years were nil (2013: £12m). The 2013 payments principally related to property costs.

Total consideration on acquisitions completed in the year was £424m (2013: £214m) including deferred consideration of £34m (2013: £21m) on past acquisitions. During 2014, the Employee Benefit Trust purchased shares of the parent companies to meet future obligations in respect of share based remuneration totalling £32m (2013: nil). Spend on venture capital investments was £6m (2013: £10m).

The net cash received in the calendar year from business disposals, after timing effects and separation and translation costs was £168m (2013: £198m).

Ordinary dividends of £500m (2013: nil) were paid in the year by the company to shareholders and £242m dividends were paid by subsidiary undertakings to Reed Elsevier NV (2013: nil).

Debt

Net borrowings at 31 December 2014 were £9,053m (2013: £8,638m), an increase of £415m since 31 December 2013. Excluding currency translation effects net debt increased by £122m.

Net borrowings from shareholders and affiliated undertakings at 31 December 2014 amounted to £6,915m (2013: £6,835m). Other borrowings amounted to £2,376m (2013: £1,896m) and the fair value of related derivative assets was £20m (2013: £19m). Cash balances totalled £218m (2013: £74m).

Net pension obligations, i.e. pension obligations less pension assets, at 31 December 2014 were £632m (31 December 2013: £379m). There was a deficit of £439m (31 December 2013: £219m) in respect of funded schemes, which were on average 91% funded at the end of the year on an IFRS basis. The higher deficit reflects lower discount rates in the UK, US and Netherlands.

Liquidity

At 31 December 2014, the RELX Group plc group had access, along with other affiliated companies, to a $2,000m committed bank facility maturing in July 2019, which was undrawn. This backup facility provides security of funding for short-term debt.

The RELX Group plc group also has borrowings from its affiliate Elsevier Finance SA totalling £5,866m (2013: £5,551m) of which 25% mature in the next year (2013: 28%); 19% in the second year (2013: 17%); 21% in the third year (2013: 19%); 16% in the fourth and fifth years (2013: 34%); and 19% in the sixth to tenth years (2013: 2%). RELX Group plc has net borrowings due within one year of £1,049m (2013: £1,284m) from the parent companies, Reed Elsevier PLC and Reed Elsevier NV, and other affiliated undertakings.

ACCOUNTING POLICIES

The consolidated financial statements are prepared in accordance with International Financial Reporting Standards as adopted by the European Union and as issued by the International Accounting Standards Board following the accounting policies shown on pages 49 to 55. The accounting policies and estimates which require the most significant judgement relate to the valuation of goodwill and intangible assets, the capitalisation of development costs, taxation and accounting for defined benefit pension schemes. Further detail is provided in the accounting policies on pages 54 to 55.

TREASURY POLICIES

The main treasury risks faced by RELX Group plc are liquidity risk, interest rate risk, foreign currency risk and credit risk.

The Board of RELX Group plc agrees policies (in line with parent company guidelines) for its business and treasury centres. A summary of these policies is provided in note 18 on pages 80 to 85. Financial instruments are used to finance RELX Group plc's businesses and to hedge transactions. RELX Group plc's businesses do not enter into speculative transactions.

CAPITAL AND LIQUIDITY MANAGEMENT

The capital structure is managed to support the objective of RELX Group plc's parent companies, Reed Elsevier PLC and Reed Elsevier NV, to maximise long-term shareholder value through appropriate security of funding, ready access to debt and capital markets, cost effective borrowing and flexibility to fund business and acquisition opportunities while maintaining appropriate leverage to ensure an efficient capital structure.

RELX Group plc uses its cash to fund selective acquisitions and to pay dividends to Reed Elsevier PLC and Reed Elsevier NV whilst retaining the balance sheet strength to maintain access to cost effective sources of borrowing.

Further detail on RELX Group plc's capital and liquidity management is provided on pages 80 to 85.

CORPORATE RESPONSIBILITY

We attach equal importance to assessing our non-financial performance as we do in reviewing the other aspects of our business activity. The social and environmental metrics that appear in this report, and in the companion 2014 Corporate Responsibility Report, have been calculated using robust methodologies aligned with best practice. Environmental and health and safety data has been assured by EY.

CHANGES TO CORPORATE STRUCTURE: IMPACT ON FINANCIAL STATEMENTS

The Boards of the parent companies Reed Elsevier PLC and Reed Elsevier NV reviewed RELX Group's corporate structure and corporate entity names to explore ways in which they might be simplified and modernised. As a result of this review, on 25 February 2015 Reed Elsevier Group plc was renamed RELX Group plc and acquired 100% of the share capital of Elsevier Reed Finance BV from Reed Elsevier PLC and Reed Elsevier NV for consideration of 31,613 ordinary voting shares to each. Following the acquisition of Elsevier Reed Finance BV, RELX Group plc's R and E shares (held by Reed Elsevier PLC and Reed Elsevier NV respectively) were converted into non-voting shares. Reed Elsevier PLC and Reed Elsevier NV continue to jointly own and control RELX Group plc, with each holding 50% of the voting shares in issue. The results and net assets of Elsevier Reed Finance BV will be included in the consolidated results of RELX Group plc from the date of acquisition. These changes will not impact the parent company financial statements.

PRINCIPAL RISKS

RELX Group plc has established risk management practices that are embedded into the operations of the businesses, based on the Internal Control-Integrated Framework (2013) issued by the Committee of Sponsoring Organisations of the Treadway Commission (COSO). The principal risks facing RELX Group plc, which have been considered by the Audit Committee and Board, are described below. While our process is robust and includes consideration of risks that would threaten RELX Group plc's business models and its solvency, it is not possible to identify every risk that could affect our businesses, and the actions taken to mitigate the risks described below cannot provide absolute assurance that a risk will not materialise and/or adversely affect our business or financial performance. Our risk management and internal control processes are described on page 25. A description of the business and a discussion of factors affecting performance is set out in the Strategic Report. Financial risks are discussed in the Strategic Report and in note 18 to the consolidated financial statements. Our approach to managing environmental and other non-financial risks is set out in the Strategic Report.

EXTERNAL RISKS

Risk	Description and impact	Mitigation
Economy and market conditions	Demand for our products and services may be impacted by factors such as the economic environment in the US, Europe and other major economies, and levels of government funding.	Our businesses are focused on professional markets which have generally been more resilient in periods of economic downturn. We deliver information solutions, many on a subscription basis, which are important to our customers' effectiveness and efficiency. We have extended our position in long-term global growth markets through organic new launches supported by the selective acquisition of small content and data sets. We continue to dispose of businesses that no longer fit our strategy.
Intellectual property rights	Our products and services are largely composed of intellectual property content delivered through a variety of media. We rely on trademark, copyright, patent and other intellectual property laws to establish and protect our proprietary rights in these products and services. There is a risk that our proprietary rights could be challenged, limited, invalidated or circumvented which may impact demand for and pricing of our products and services.	We actively engage in developing and promoting the legal protection of intellectual property rights. Our subscription contracts with customers contain provisions regarding the use of proprietary content. We are vigilant as to the use of our content and, as appropriate, take legal action to challenge illegal distribution sources.
Data resources	A number of our businesses rely extensively upon content and data from external sources. Data is obtained from public records, governmental authorities, customers and other information companies, including competitors. The disruption or loss of data sources, either because of changes in the law or because data suppliers decide not to supply them could adversely affect our products and services.	We seek as far as possible to have proprietary content. Where content is supplied to us by third parties, we aim to have contracts which provide mutual commercial benefit. We also maintain an active dialogue with regulatory authorities on privacy and other data-related issues, and promote, with others, the responsible use of data.
Paid subscriptions	Our scientific, technical and medical (STM) primary publications, like those of most of our competitors, are published largely on a paid subscription basis. There is continued debate in government, academic and library communities, which are the principal customers for our STM publications, regarding to what extent such publications should be funded instead through fees charged to authors or authors'	We engage extensively with stakeholders in the STM community to better understand their needs and deliver value to them. We are open to serve and are currently serving the STM community under a broad range of payment models that can sustainably provide researchers with the critical information tools that they need. We focus on the integrity and quality of research through the editorial and peer review

	funders and/or made freely available in some form after a period following publication. If these methods of STM publishing are widely adopted or mandated, it could adversely affect our revenue from paid subscription publications.	process; we invest in efficient editorial and distribution platforms and in innovation in platforms and tools to make content and data more accessible and actionable; and we ensure vigilance on plagiarism and the long-term preservation of research findings.

STRATEGIC RISKS

Risk	Description and impact	Mitigation
Customer acceptance of products	Our businesses are dependent on the continued acceptance by our customers of our products and services and the value placed on them. Failure to meet evolving customer needs could impact demand for our products and consequently adversely affect our revenue.	We are focused on the needs and economics of our customers and employ user-centred design and customer analytics to provide content and innovative solutions that help them achieve better outcomes and enhance productivity.
Competition	Our businesses operate in highly competitive markets, which continue to evolve in response to technological innovations, legislative and regulatory changes, the entrance of new competitors and other factors. Failure to anticipate market trends could impact the competitiveness of our products and services and consequently adversely affect our revenue.	We gain insights into our markets, evolving customers' needs, the potential application of new technologies and business models, and the actions of competitors. These insights inform our market strategies and operational priorities. We continuously invest significant resources in our products and services, and the infrastructure to support them.
Acquisitions	We regularly make small acquisitions to strengthen our portfolio. If we are unable to generate the anticipated benefits such as revenue growth and/or cost savings associated with these acquisitions this could adversely affect return on invested capital and financial condition.	Acquisitions are made within the framework of our overall strategy, which emphasises organic development. We have a well formulated process for reviewing and executing acquisitions and for managing the post-acquisition integration. This process is underpinned with clear strategic, financial and ethical criteria. We closely monitor the integration and performance of acquisitions.

OPERATIONAL RISKS

Risk	Description and impact	Mitigation
Technology failure	Our businesses are dependent on electronic platforms and networks, primarily the internet, for delivery of products and services. These could be adversely affected if our electronic delivery platforms or networks experience a significant failure, interruption, or security breach.	We have established procedures for the protection of our technology assets. These include the development of business continuity plans, including IT disaster recovery plans and back-up delivery systems, to reduce business disruption in the event of a major technology failure.
Data Security	Our businesses maintain databases and information that are accessed online, including personal information. Breaches of our data security or failure to comply with applicable legislation or regulatory or contractual requirements could damage our reputation and expose us to risk of loss, litigation and increased regulation.	We have established data privacy and security programmes and evolve our programmes in line with emerging threats. We test and re-evaluate our procedures and controls with the aim of ensuring that personal data is protected and that we comply with relevant legislative, regulatory and contractual requirements.
Supply chain dependencies	Our organisational and operational structures are dependent on outsourced and offshored functions. Poor performance or failure of third parties to whom we have outsourced activities could adversely affect our business performance, reputation and	We select our vendors with care and establish contractual service levels that we closely monitor, including through key performance indicators and targeted supplier audits. We have developed business continuity plans to reduce

	financial condition.	disruption in the event of a major failure by a vendor.
Talent	The implementation and execution of our strategies and business plans depend on our ability to recruit, motivate and retain high-quality people. We compete globally and across business sectors for talented management and skilled individuals, particularly those with technology and data analytics capabilities. An inability to recruit, motivate or retain such people could adversely affect our business performance.	We have well established management development and talent review programmes. We monitor capability needs and remuneration schemes are tailored to attract and motivate the best talent available at an appropriate level of cost. We actively seek feedback from employees, which feeds into plans to enhance employee engagement and motivation.

FINANCIAL RISKS

Risk	Description and impact	Mitigation
Pensions	We operate a number of pension schemes around the world. Historically, the largest schemes have been local versions of the defined benefit type in the UK, the US and the Netherlands. The assets and obligations associated with those pension schemes are sensitive to changes in the market values of assets and the market-related assumptions used to value scheme liabilities. Adverse changes to, inter alia, asset values, discount rates or inflation could increase future pension costs and funding requirements.	We have professional management of our pension schemes and we focus on maintaining appropriate asset allocation and plan designs. We review our funding requirements on a regular basis with the assistance of independent actuaries and ensure that the funding plans are appropriate.
Tax	Our businesses operate globally and our earnings are subject to taxation in many differing jurisdictions and at differing rates. We seek to organise our affairs in a tax efficient manner, taking account of the jurisdictions in which we operate. However, tax laws that apply to our businesses may be amended by the relevant authorities or interpreted differently, which could adversely affect our reported results.	We have clear and consistent tax policies and tax matters are dealt with by a professional tax function, supported by external tax advisers. We maintain an open dialogue with the relevant tax authorities and are vigilant in ensuring that we comply with tax legislation.
Treasury	The RELX Group plc consolidated financial statements are expressed in pounds sterling and are subject to movements in exchange rates on the translation of the financial information of businesses whose operational currencies are other than sterling. The US is our most important market and, accordingly, significant fluctuations in the US dollar exchange rate could significantly affect our reported results. Macro economic, political and market conditions may also adversely affect the availability of short and long-term funding, volatility of interest rates, currency exchange rates and inflation.	Our approach to funding and the management of financial risks, including interest rate and foreign currency exposures is described in note 18 to the consolidated financial statements.

REPUTATIONAL RISKS

Risk	Description and impact	Mitigation
Ethics	As a world-leading provider of professional information solutions to the STM, risk & business information, legal, and exhibitions markets we are expected to adhere to high standards of independence and ethical conduct. A breach of generally accepted ethical business standards could adversely affect our business performance, reputation and financial condition.	Our Code of Ethics and Business Conduct is provided to every employee and is supported by training. It encompasses such topics as fair competition, anti-bribery and human rights and encourages open and principled behaviour. We have well established processes for reporting and investigating instances of unethical conduct. Our major suppliers are required to adopt our Supplier Code of Conduct.
Environmental	Our businesses have an impact on the environment, principally through the use of energy and water, waste generation and, in our supply chain, through paper use and print and production technologies. Failure to manage our environmental impact could adversely affect our reputation.	We are committed to reducing these environmental impacts by limiting resource use and efficiently employing sustainable materials and technologies. We require our major suppliers and contractors to meet the same objectives. We seek to ensure that all our businesses are compliant with relevant environmental regulation.

The Strategic Report, as set out on pages 2 to 24, has been approved by the Board.

Henry Udow

By order of the Board
Henry Udow
Company Secretary
25 February 2015

Registered Office
1-3 Strand
London
WC2N 5JR

DIRECTORS' REPORT

PRINCIPAL ACTIVITIES

The company is a holding company and through its subsidiary undertakings is a leading provider of professional information solutions, principally in North America and Europe. The company is jointly owned and controlled by Reed Elsevier PLC and Reed Elsevier NV.

DIRECTORS

Following the changes referred to below, the RELX Group plc Board consisted of two executive directors, the Chief Executive Officer (Erik Engstrom) and the Chief Financial Officer (Nick Luff who was appointed on 1 September 2014 and replaced Duncan Palmer, who stepped down during September 2014); and seven non-executive directors: Anthony Habgood (Chairman), Wolfhart Hauser, Adrian Hennah, Lisa Hook, Robert Polet, Linda Sanford and Ben van der Veer.

Board changes

Changes during the year in the composition of the Board of RELX Group plc are set out below.

On 1 September 2014, Nick Luff was appointed as Chief Financial Officer. During September 2014, Duncan Palmer stepped down as Chief Financial Officer.

Board Committee

In accordance with the principles of good corporate governance, the Board has established an Audit Committee and a Remuneration Committee. These committees have written terms of reference, which are published on the RELX Group website, www.relxgroup.com. Membership of each committee, attendance during the year and a description of their responsibilities are set out in the 2014 RELX Group Annual Report and Financial Statements.

A Directors' Remuneration Report, which has been approved by the Board of RELX Group plc, appears on pages 28 to 41. This report also serves as disclosure of the Directors' remuneration policy, and the remuneration of the Directors and their interests in the shares of the two parent companies, Reed Elsevier PLC and Reed Elsevier NV.

CORPORATE GOVERNANACE

Internal Control

RELX Group plc has an established framework of procedures and internal controls, with which the management of each business is required to comply. Group businesses are required to maintain systems of internal control which are appropriate to the nature and scale of their activities and address all significant strategic, operational, financial and legal compliance risks that they face. The Board of RELX Group plc has adopted a schedule of matters that are required to be brought to it for decision.

RELX Group plc has a Code of Ethics and Business Conduct that provides a guide for achieving its business goals and requires officers and employees to behave in an open, honest, ethical and principled manner. The Code also outlines confidential procedures enabling employees to report any concerns about compliance, or about the RELX Group plc's financial reporting practice. The Code is published on our website, www.relxgroup.com.

Each business area has identified and evaluated its principal risks, the controls in place to manage those risks and the levels 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 principal risks facing RELX Group plc are set out on pages 21 to 24.

The principal risks facing the RELX Group plc businesses are regularly reported to and assessed by the Board and Audit Committee. With the close involvement of business management and central functions, the risk management and control procedures ensure that RELX Group plc is managing its business risks effectively and in a co-ordinated manner across the business with clarity on the respective responsibilities and interdependencies. Litigation and other legal regulatory matters are managed by legal directors in Europe and the US.

The RELX Group plc Audit Committee receives regular reports on the identification and management of material risks and reviews these reports. The Audit Committee also receives regular reports from both internal and external auditors on internal control and risk management matters. In addition, each business area is required, at the end of the financial year, to review the effectiveness of internal controls and risk management and report its findings on a detailed basis to the management of RELX Group plc. These reports are summarised and, as part of the annual review of effectiveness, submitted to the Audit Committee of RELX Group plc. The Chairman of the Audit Committee reports to the Board on any significant internal control matters arising.

DIRECTORS' REPORT

Annual Review

As part of the year-end procedures, the Audit Committees and Board review the effectiveness of the systems of internal control and risk management during the last financial year. The objective of these systems is to manage, rather than eliminate, the risk of failure to achieve business objectives. Accordingly, they can only provide reasonable, but not absolute, assurance against material misstatement or loss. The Board has confirmed, subject to the above, that as regards financial reporting risks, the respective risk management and control systems provide reasonable assurance against material inaccuracies or loss and have functioned properly during the year.

RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

The Directors of RELX Group plc are required to prepare financial statements as at the end of each financial period, in accordance with applicable law and regulations, which give a true and fair view of the state of affairs, and of the profit or loss, of the respective company and their subsidiaries, joint ventures and associates. They are responsible for maintaining proper accounting records, for safeguarding assets, and for taking reasonable steps to prevent and detect fraud and other irregularities. The Directors are also responsible for selecting suitable accounting policies and applying them on a consistent basis, making judgements and estimates that are prudent and reasonable.

Applicable accounting standards have been followed and the RELX Group plc consolidated financial statements, which are the responsibility of the Directors, are prepared using accounting policies which comply with International Financial Reporting Standards.

Having taken into account all the matters considered by the Board and brought to the attention of the Board, the Directors are satisfied that the Annual Report and Accounts, taken as a whole, is fair, balanced and understandable, and provides the information necessary for shareholders to assess the company's performance, business model and strategy.

DIVIDENDS

Dividends paid during the year are set out on page 18 of the Strategic Report.

GOING CONCERN

The Directors of RELX Group plc, having made appropriate enquiries, consider that adequate resources exist for the group to continue in operational existence for the foreseeable future and that, therefore, it is appropriate to adopt the going concern basis in preparing the 2014 financial statements. In reaching this conclusion, the Directors have had due regard to the financial position as at 31 December 2014, the strong free cash flow of the group, the ability to access capital markets and the principal risks facing the group. No material uncertainties have been identified.

A commentary on the consolidated businesses' cash flows, financial position and liquidity for the year ended 31 December 2014 is set out in the Strategic Report on pages 18 to 19. RELX Group plc's policies on liquidity, capital management and management of risks relating to interest rate, foreign exchange and credit exposures are set out on pages 80 to 85. The principal risks facing the group are set out on pages 21 to 24.

DISCLOSURE OF INFORMATION TO AUDITORS

As part of the process of approving the company's 2014 financial statements, the Directors have taken steps pursuant to section 418(2) of the Companies Act 2006 to ensure that they are aware of any relevant audit information and to establish that the company's auditor is aware of that information. In that context, so far as the Directors are aware, there is no relevant audit information of which the company's auditor is unaware.

POLITICAL DONATIONS

RELX Group plc does not make donations to EU political organisations or incur EU political expenditure. In the United States, RELX Group plc companies donated £55,793 (2013: £48,000) to political organisations. In line with US law, these donations were not made at federal level, but only to candidates and political parties at the state and local levels.

DIRECTORS' REPORT

AUDITOR

Resolutions for the re-appointment of Deloitte LLP as auditor of the Company and authorising the Directors to fix their remuneration will be submitted to the forthcoming Annual General Meeting.

We have commenced preparations for an audit tender process for rotation of the audit firm in respect of the 2016 financial year. The audit tender is expected to be concluded in mid-2015 and the selected audit firm will be proposed to the Annual General Meetings in 2016. In accordance with legislation in the Netherlands, Deloitte will not be eligible to participate in this tender.

By Order of the Board

Henry Udow

Henry A Udow
Secretary
25 February 2015

Registered office
1-3 Strand
London, WC2N 5JR

DIRECTORS' REMUNERATION REPORT

The Directors' Remuneration Report (the Report) describes how RELX Group plc applies the principles of good governance relating to Directors' remuneration. This Report has been prepared by the Remuneration Committee of RELX Group plc in accordance with the UK Corporate Governance Code, the Large and Medium-sized Companies and Groups (Accounts and Reports) (Amendment) Regulations 2013 (the UK Regulations).

This Report has been approved by the Board of RELX Group plc.

The audited sections of the Report are clearly marked.

ANNUAL REMUNERATION REPORT

Single Total Figure of Remuneration – Executive Directors (audited)

		(a)	(b)	(c)	(d)	(e)	(g)	(h)	(j)	(k)
		Short-term employee benefits			Share based awards		Pension		Total	
£'000		Salary	Benefits[5]	Annual Incentive	UK statutory basis[1,2,4,7]	Dutch Civil Code basis[3]	UK statutory basis[2]	Dutch Civil Code basis[3]	UK statutory basis[1,2]	Dutch Civil Code basis[3]
Erik Engstrom	2014	1,104	29	1,170	13,181	3,943	692	562	16,176	6,808
	2013	1,077	28	1,134	2,472	3,300	719	528	5,430	6,067
Nick Luff[6]	2014	217	5	685	1,371	1,341	65	65	2,343	2,313
Duncan Palmer[6]	2014	442	202	0	0	0	84	84	728	728
	2013	600	230	609	0	598	114	114	1,553	2,151

1. The 2014 figure includes the vesting of the second and final tranche of the discontinued REGP.
2. **UK statutory basis (columns (d), (f) and (h)):** These figures are calculated in accordance with the methodology set out in the BIS Regulations. They include, for performance-related Share based awards, the value attributable to share price appreciation since the date the award was granted. In the case of the CEO's figures, the amount included that relates to share price appreciation is £1.5m for 2013 and £7.6m for 2014.
3. **Dutch Civil Code basis (columns (e), (g) and (i)):** These figures comply with the requirements of the Dutch Civil Code. The figures for Share based awards comprise the multi-year incentive charges in accordance with IFRS2 – Share based Payment. These IFRS2 charges do not reflect the actual value received on vesting. The figures for pensions reflect the cost of pension provision which comprises (i) for defined benefit schemes, the transfer value of the increase in accrued pension during the year (net of inflation, Directors' contributions and participation fee) based on the factors and basis applicable prior to the introduction of the new UK statutory basis in 2013 and (ii) for defined contribution schemes, payments made to the scheme or to the Executive Director in lieu of pension.
4. **Share based awards for Erik Engstrom (columns (d) and (e)):** The figure for 2013 in column (d) was based on an estimate and has been restated in this Report to reflect the amount vested and the share prices and foreign exchange rates on the vesting dates of the 2011-13 cycle of BIP and ESOS. The vesting percentages under these plans were determined on 28 February 2014 and were in line with those disclosed on page 87 in the 2013 Remuneration Report. Using the share prices and exchange rates on the vesting dates increased the 2013 disclosed figure by £5,651 (from £2,466,655 to £2,472,306). The 2014 figures reflect the vesting of the matching shares under the final tranche of the REGP measured over the 2010-14 period and the 2012-14 cycle of BIP and ESOS, both measured over the 2012-14 period. As the REGP matching shares and BIP vested after the approval date of the Report and ESOS vests in May 2015, the average share prices and foreign exchange rates for the last quarter of 2014 have been used to arrive at an estimated figure under the UK statutory basis in respect of these awards. The amount attributable to the vesting of the final tranche of the REGP in the UK statutory basis 2014 Share based awards figure is £9m. The Share based awards figure includes the dividend equivalent payments paid out in cash in 2015 on the REGP matching shares and the BIP. The proportion of the value of the CEO's Share based awards under the UK statutory basis that relates to share price appreciation between the dates of grant and vesting is 59% (or £1.5m) for 2013 and 57% (or £7.6m) for 2014 using, as required, the average share prices for the last quarter of 2014.
5. **Benefits:** Each Executive Director receives a car allowance, private medical/dental insurance and the company meets the cost of tax return preparation. In respect of Duncan Palmer, the figure also includes a cash adjustment payment of £162,906 that was contractually due to him on termination relating to the pro-rated restricted share award released to him and legal expenses of £2,760 met by RELX Group plc in connection with his loss of office arrangement. Following his termination date, although not reflected in the 2014 figure, he received a cash payment of £75,117, representing dividend equivalents on his pro-rated restricted shares granted in 2012. All payments are in accordance with policy as disclosed on pages 83 and 84 of the 2013 Remuneration Report. The 2013 benefits figure for Duncan Palmer included estimated amounts in respect of the relocation benefits and has been restated in this Report to reflect actuals. This reduced the 2013 benefits figure previously reported by £1,768 (from £231,668 to £229,900).
6. Nick Luff receives an annual base salary of £650,000, benefits as per note 5 and a 30% of salary cash allowance in lieu of pension. He participates in the annual incentive plan (AIP) and is eligible for annual multi-year incentive grants in accordance with the policy approved by shareholders at the 2014 Annual General Meetings of Reed Elsevier PLC.
7. **Exchange rates used for Share based awards:** The exchange rates used to convert Share based awards to pounds sterling are (i) for the UK statutory basis, those that applied at the vesting dates or, if vesting has not occurred at the time of sign off of this Report, the average exchange rates for the last quarter of 2014, (ii) for dividend equivalents, the exchange rates at the time of payment and (iii) for estimated dividend equivalents in respect of awards for which vesting has not occurred at the time of sign off of this Report and which are yet to be paid, the average exchange rates for the last quarter of 2014.
8. **Total remuneration for Directors:** This is set out in note 28 to the consolidated financial statements on page 92.

2014 Annual Incentive

Set out below is a summary of performance against each financial measure and the resulting annual incentive payments for 2014 (payable in March 2015):

Performance measure	*Relative weighting*	*Achievement vs target*	*Payout as % of salary Erik Engstrom*	*Payout as % of salary Nick Luff*
Revenue	30%	Underlying revenue growth of 3% was at target, reflecting good growth in electronic and face-to-face revenues in a mixed macroeconomic environment.	Close to 30%	Close to 30%
Adjusted profit after tax	30%	Total adjusted profit after tax grew by 7% in constant currency, just above target, reflecting a combination of underlying revenue growth and continued process innovation.	Just above 30%	Just above 30%
Cash flow conversion rate	10%	Cash flow conversion of 96% was just above target, reflecting strong profits and the cash flow impact from continued capital expenditure to enable continued investment in technology and new products and services.	Just above 10%	Just above 10%
Key Performance Objectives (KPOs)	30%			
Erik Engstrom (six KPOs)	The first and second KPOs, related to business profile evolution through organic development and selective acquisitions and disposals, were achieved. The third KPO, related to the development of the corporate structure and the global functions, was achieved. The fourth and fifth KPOs, related to specific strategic initiatives across business areas and select priorities within each business, including technology and product development milestones, were achieved. The sixth KPO was to complete the actions listed in the 2013 Corporate Responsibility Report and meet the quantified targets in the report. This KPO was almost fully met as set out on pages 13-17.		Close to 30%	
Nick Luff (six KPOs)	The first KPO, related to 2014 final results and reporting, was achieved. The second KPO, related to achieving specific operating plan and financial milestones for the group, was achieved. The third and fourth KPOs, related to specific deliverables for the finance function, were essentially fully achieved. The fifth KPO, related to the development of the corporate structure, was achieved. The sixth KPO was to complete the actions listed in the 2013 Corporate Responsibility Report and meet the quantified targets in the report. This KPO was almost fully met as set out on pages 13-17.			Close to 30%
			106.0%*	105.4%*
			£1,169,766	£684,938**

* The maximum annual incentive opportunity is 150% of base salary.

** Nick Luff joined RELX Group plc on 1 September 2014. The terms of his service agreement, which he signed on 6 January 2014, provided that his full year 2014 annual incentive would be reduced on a pound for pound basis by the amount of any annual incentive payment received from his previous employer in respect of services rendered during 2014. No such payment was received from his previous employer.

The Board believes that disclosing details beyond what is disclosed above would be commercially sensitive and would give competitors an unfair insight into our strategic direction and annual execution plans.

Multi-year incentives

Multi-year incentives with a performance period ended 31 December 2014 were for Erik Engstrom BIP 2012, ESOS 2012 and the final tranche of the REGP and for Nick Luff a performance share award granted as part compensation for forfeited entitlements from previous employment.

The Committee assessed the performance measures for these awards and made an overall assessment of underlying business performance and other relevant factors. The vesting outcome resulting from this review is summarised below.

Discontinued REGP: Final tranche performance outcome

Performance measure	*Weighting*	*Performance range and vesting levels set at grant* [1]		*Achievement against the performance range*	*Resulting vesting percentage*
TSR measure over five years 2010-2014	1/3rd	below median median upper quartile	0% 30% 100%	In upper quartile of FTSE and European Comparator groups; close to upper quartile in US comparator group	99.7%
Average growth in adjusted ESP in 2013 and 2014[2]	1/3rd	below 7% p.a. 7% p.a 13% p.a. or above	0% 60% 100%	8.5% p.a.	70.0%
ROIC in 2014	1/3rd	below 10.7% 10.7% 12.7% or above	0% 60% 100%	12.1%	88.2%
Total vesting percentage:					86.0%

1. Calculated on a straight-line basis for performance between the minimum and maximum levels.
2. The calculation methodology for EPS and ROIC is set out in the 2010 Notices of Annual General Meetings, which can be found on our website.

BIP: 2012-14 cycle performance outcome

Performance measure	*Weighting*	*Performance range and vesting levels set at grant* [1]		*Achievement against the performance range*	*Resulting vesting percentage*
Average groth in adjusted EPS over the three-year performance period[2]	50%	below 4% p.a. 4% p.a. 6.5% p.a. 9% p.a. or above	0% 50% 75% 100%	8.4% p.a.	93.7%
ROIC in the third year of the performance period[2]	50%	below 11% 11% 11.5% 12% or above	0% 50% 75% 100%	13.0%	100%
Total vesting percentage:					96.8%

1. Calculated on a straight-line basis for performance between the minimum and maximum levels.
2. The calculation methodology for EPS and ROIC is set out in the 2010 Notices of Annual General Meetings, which can be found on our website.

ESOS: 2012-14 cycle performance outcome

Performance measure	*Weighting*	*Performance range and vesting levels set at grant*		*Achievement against the performance range*	*Resulting vesting percentage*
Average growth in adjusted EPS over the three-year performance period	100%	below 6% p.a. 6% p.a. or above	0% 100%	8.4% p.a.	100%

Nick Luff: PSP award to compensate for forfeited entitlements from previous employment with performance period ended 31 December 2014

Performance measure	*Weighting*	*Performance range and vesting levels set at grant*		*Achievement against the performance range*	*Resulting vesting percentage*
Average growth in adjusted EPS in 2013 and 2014	2/3rds	below 7% p.a. 7& p.a. or above	0% 100%	8.5% p.a.	100%
ROIC in 2014	1/3rd	below 10.7% 10.7% or above	0% 100%	12.1%	100%
Total vesting percentage:					100%

Single Total Figure of Remuneration – Non-Executive Directors (audited)

	Total fee		Benefits[1]		Total	
	2014	2013	2014	2013	2014	2013
Anthony Habgood	£550,000	£550,000	£2,150	£1,900	£552,150	£551,900
Wolfhart Hauser (from 25 April 2013)	£90,000	£65,058	£720		£90,720	£65,058
Adrian Hennah	£77,500	£65,000	£720	£500	£78,220	£65,500
Lisa Hook	£110,000	£80,462	£1,230	£1,000	£111,230	£81,462
Marike van Lier Lels[2]	£56,671	£55,085			£56,671	£55,085
Robert Polet	£77,500	£65,000	£1,230	£500	£78,730	£65,500
Linda Sanford	£77,500	£65,000	£1,230	£1,000	£78,730	£66,000
Ben van der Veer[2]	£95,968	£93,220	£510	£500	£96,478	£93,720

1. Benefits comprise the notional benefit of tax filing support provided to Non-Executive Directors for filings outside their home country resulting from their directorships with RELX Group plc. The incremental assessable benefit charge per tax return has been agreed for 2014 to amount to £510 for a UK tax return and £720 for a Netherlands tax return. Anthony Habgood's benefits also include £1,430 (£1,400 in 2013) in respect of private medical insurance.
2. The fees for Marike van Lier Lels and Ben van der Veer were paid in euros and were €70,272 and €119,000 respectively for 2014. For reporting purposes these were converted into pounds sterling at the average exchange rate for 2014. The 2013 figures were converted into pounds sterling at the average exchange rate for 2013.
3. The total remuneration for Directors is set out in note 28 to the consolidated financial statements on page 92.

2014 Non-Executive Directors' fees

The fees in the Single Total Figure table for Non-Executive Directors reflect the following fees in 2014:

	Annual fee 2014	Annual fee 2013
Chairman	**£550,000**	**£550,000**
Non-Executive Directors*	**£65,000/€80,000**	**£65,000/€80,000**
Senior Independent Director	**£25,000**	**£20,000**
Chairman of:		
- Audit Committee	**£25,000/€30,000**	**£25,000/€30,000**
- Remuneration Committee	**£25,000**	**£20,000**
Committee membership fee:		
- Audit Committee	**£12,500**	
- Remuneration Committee	**£12,500**	
- Nominations Committee	**£7,500/€9,000**	

* An annual fee of €65,000 is paid to Marike van Lier Lels in respect of her membership of the Reed Elsevier NV Board and reflects her time commitment to that company. Since 22 July 2014, she chaired the Board of Elsevier Reed Finance BV for which an annual fee of €10,000 is payable.

Total pension entitlements (audited)

Erik Engstrom is a member of the RELX Group plc UK defined benefit pension arrangements. Further details are provided in the Policy Report on page 79 of the 2013 Remuneration Report and below.

Pension – Standard information

Age at December 2014	Normal retirement age	Director's contributions	Participation fee
51	60	£11,216	£23,962

Since October 2013, the CEO pays a participation fee on the amount of his base salary which exceeds the UK earnings cap. Starting with an initial rate of 1%, on 1 April 2014 the fee increased to 3%, and each 1 April thereafter this fee will increase by a further 2% of base salary which exceeds the UK earnings cap.

Pension – UK statutory basis

Accrued annual pension at 31 December 2013	Accrued annual pension at 31 December 2014	Single figure pension value
£227,360	£263,704	£691,702[1]

Pension – Dutch Civil Code basis (consistent with prior disclosure)

Increase in accrued pension during the year (net of inflation)	Transfer value[2] at 31.12.14 of increase in accrued pension during the year (net of inflation, Directors' contributions and participation fee)
£36,344	£561,989

1. Net of Directors' contribution and participation fee.
2. The transfer value represents a liability in respect of Directors' pension entitlements, and is not an amount paid or payable to the Director calculated using the factors and basis applicable prior to the introduction of the new UK statutory basis in 2013.

Scheme interests awarded during the financial year (audited)

CURRENT MULTI-YEAR INCENTIVE PLANS

	Basis on which award is made	Face value of award at grant[1]	Value of awards if vest in line with expectations[2]	Percentage of maximum that would be received if threshold performance achieved[3]	End of performance period
BIP – matching share awards					
Erik Engstrom	Opportunity to invest cash and/or shares up to value of target bonus opportunity and receive 1 for 1 matching award	£1,076,856	£721,493	If one measure pays out at threshold, the overall payout is 25%. If both measures pay out at threshold, the overall payout is 50%.	31 December 2016
Nick Luff		£649,992	£435,495		
LTIP – performance share awards					
Erik Engstrom	250% of salary	£2,692,223	£1,346,111	If the measure with the lowest payout at threshold pays out at threshold, the overall payout is 3%. If each measure pays out at threshold, the overall payout is 32%.	31 December 2016
Nick Luff	200% of salary	£1,299,988	£649,994		
ESOS – market value options					
Erik Engstrom	250% of salary	£2,692,223	£430,756	33%	31 December 2016
Nick Luff	200% of salary	£1,299,988	£207,998		

ONE-OFF MULTI-YEAR INCENTIVE PLAN AWARDS TO COMPENSATE FOR FORFEITED ENTITLEMENTS FROM PREVIOUS EMPLOYMENT

Performance share awards[4]					
Nick Luff	200% of salary	£1,299,988	£1,299,988	If the measure with the lowest payout at threshold pays out at threshold, the overall payout is 33%. If each measure pays out at threshold, the overall payout is 100%.	31 December 2014
	200% of salary	£1,299,988	£649,994	If the measure with the lowest payout at threshold pays out at threshold, the overall payout is 3%. If each measure pays out at threshold, the overall payout is 32%.	31 December 2015

1. The face value of the LTIP and ESOS awards is calculated using (1) the middle market quotation of PLC ordinary shares; (2) the closing price of NV ordinary shares; and (3) the exchange rate on the day before grant. In respect of grants made to Erik Engstrom on 7 April 2014, (1) was £9.245 and (2) was £15.82. In respect of Nick Luff, who joined RELX Group plc on 1 September 2014, and whose grants were made on 2 September 2014, (1) was £9.90 and (2) was €17.50. These share prices are used to determine the number of awards granted, as well as to set option exercise prices. The face value of the ESOS options shown in this column has not been reduced to reflect the fact that the aggregate option price is payable on exercise. The face value of the BIP awards is calculated using the average price of participants' investment shares purchased by the trustee. In respect of the matching award to Erik Engstrom on 7 April 2014, who invested in NV ADRs, the price per NV ADR was $42.951. In respect of the matching award to Nick Luff on 2 September 2014, who invested in PLC and NV ordinary shares, the price per PLC ordinary share was £9.96 and the price per NV ordinary share was €17.614. The face values for BIP and LTIP do not take into account the dividend equivalents relating to those awards.
2. For BIP, LTIP and ESOS, vesting in line with expectations is as per the performance scenario chart disclosed on page 83 of the 2013 Remuneration Report, i.e. 67% for BIP, 50% for LTIP and 80% for ESOS. For options vesting in line with expectations, a valuation factor of 20% of the face value of the award at grant has been applied. Vesting in line with expectations for the performance share awards granted to Nick Luff, assumes, in respect of the award with a performance period ended 31 December 2014, that the thresholds for EPS and ROIC are met which results in 100% vesting. In respect of the award with the performance period ending 31 December 2015, which mirrors the performance conditions applicable to the 2013 LTIP award, vesting in line with expectations is 50%.
3. Threshold payout levels for each measure have been included. Where there are multiple measures, it is possible to achieve threshold, and hence payout, in respect of just one of the measures (or, for TSR, in respect of one of the three TSR comparator groups). The performance measures and targets for awards granted in 2014 under each of the plans and for the performance share awards granted to Nick Luff are set out on pages 33 to 34.
4. The performance share awards granted to Nick Luff on 2 September 2014 were essential to facilitate his recruitment and were disclosed in the notices of the 2014 annual general meetings of Reed Elsevier PLC and Reed Elsevier NV. The awards were split evenly between ordinary shares in Reed Elsevier PLC and Reed Elsevier NV. The awards of Reed Elsevier PLC ordinary shares fall within paragraph 9.4.2(2)R of the UK Listing Rules and the awards of Reed Elsevier NV ordinary shares were approved by shareholders at the Annual General Shareholders' Meeting of Reed Elsevier NV on 23 April 2014. The awards are not pensionable and lapse on resignation or dismissal for cause (although in the case of a resignation, if an award has already vested and the date of resignation is within two years of Mr Luff joining RELX Group plc, then time pro-ration clawback provisions will apply to such award). In all other circumstances of termination, the share awards will vest subject to performance at the end of the applicable performance period with pro-ration for service applied, except in the case of a company initiated termination in which event the award will not be pro-rated.

The following targets and vesting scales apply to awards granted in 2014:

BIP: 2014-16 cycle

Matched earned on personal investment	Average growth in adjusted EPS over the three-year performance period*	ROIC in the third year of the performance period*
0%	below 4% p.a.	below 11.6%
50%	4% p.a.	11.6%
75%	6.5% p.a.	12.1%
100%	9% p.a. or above	12.6% or above

* EPS and ROIC have equal weighting and straight-line vesting applies to performance between the points.

LTIP: 2014-16 cycle

Vesting is dependent on three separate performance measures of equal weighting: a TSR measure comprising three comparator groups, an EPS measure and a ROIC measure.[1]

Vesting percentage of each third of the TSR tranche[2]	TSR ranking within the relevant TSR comparator group
0%	Below median
30%	Median
100%	Upper quartile

1. The calculation methodology for TSR, EPS and ROIC is set out in the 2013 Notices of Annual General Meetings, which can be found on our website.
2. Vesting is on a straight-line basis for performance between the minimum and maximum levels.

The three TSR comparator groups (Sterling, Euro and US Dollar) reflect the fact that RELX Group plc's parent companies accesses equity capital markets through three exchanges – London, Amsterdam and New York – in three currency zones. RELX Group plc's TSR performance is measured separately against each comparator group and each ranking achieved will produce a payout, if any, in respect of one-third of the TSR measure. The proportion of the TSR measure that vests will be the sum of the three payouts.

Each comparator group comprises approximately 40 companies. The companies for the 2014-16 LTIP cycle were selected on the following basis (unchanged from 2013-2015):

(a) they were in a relevant market index or are the largest listed companies on the relevant exchanges at the end of the year before the start of the performance period: the FTSE 100 for the Sterling group; AEX, NYSE Euronext and the Frankfurt Stock Exchange for the Euro group; and the S&P 500 for the US Dollar group;

(b) certain companies were then excluded:
- those with mainly domestic revenues (as they do not reflect the global nature of RELX Group plc's customer base)
- those engaged in extractive industries (as they are exposed to commodity cycles); and
- financial services companies (as they have a different risk/reward profile).

(c) the remaining companies were then ranked by market capitalisation and, for each comparator group, the 20 companies above and below RELX Group plc were taken; and

(d) relevant listed global peers operating in businesses similar to those of RELX Group plc but not otherwise included were added.

Vesting percentage of EPS and ROIC tranches*	Average growth in adjusted EPS over the three-year performance period	ROIC in the third year of the performance period
0%	below 5% p.a.	below 11.6%
33%	5% p.a.	11.6%
52.5%	6% p.a.	11.85%
65%	7% p.a.	12.1%
75%	8% p.a.	12.35%
85%	9% p.a.	12.6%
92.5%	10% p.a.	12.85%
100%	11% p.a. or above	13.1% or above

* Vesting is on a straight-line basis for performance between the stated average adjusted EPS growth/ROIC percentages.

ESOS: 2014-2016 cycle

Proportion of the award vesting	Average growth in adjusted EPS over the three-year performance period*
0%	below 4% p.a.
33%	4% p.a.
80%	6% p.a.
100%	8% p.a. or above

* Vesting is on a straight-line basis for performance between the stated average adjusted EPS growth percentages.

PSP awards granted to Nick Luff as compensation for forfeited entitlement form previous employment

PSP: Performance period ended 31 December 2014

Vesting percentage	Average growth in adjusted EPS in 2013 and 2014*	ROIC in 2014*
0%	below 7% p.a.	below 10.7%
100%	7% p.a. or above	10.7% or above

* 2/3rds of the award is subject to ESP and 1/3rd subject to ROIC performance.

PSP: Performance period ending 31 December 2015

Vesting is dependent on three separate performance measures of equal weighting: a TSR measure (comprising three comparator groups as set out in the 2013 Notices of Annual General Meetings), an EPS measure and a ROIC measure.[1]

Vesting percentage of each third of the TSR tranche[2]	TSR ranking within the relevant TSR comparator group
0%	Below median
30%	Median
100%	Upper quartile

1. The calculation methodology for TSR, EPS and ROIC is the same as applies to the LTIP award granted to Erik Engstrom in 2013.
2. Vesting is on a straight-line basis for performance between the minimum and maximum levels.

Vesting percentage of EPS and ROIC tranches*	Average growth in adjusted EPS over the three-year performance period	ROIC in the third year of the performance period
0%	below 5% p.a.	below 11.2%
33%	5% p.a.	11.2%
52.5%	6% p.a.	11.45%
65%	7% p.a.	11.7%
75%	8% p.a.	11.95%
85%	9% p.a.	12.2%
92.5%	10% p.a.	12.45%
100%	11% p.a. or above	12.7% or above

* Vesting is on a straight-line basis for performance between the stated average adjusted EPS growth/ROIC percentages.

External appointments

The Committee believes that the experience gained by allowing Executive Directors to serve as Non-Executive Directors on the boards of other organisations is of benefit to RELX Group plc. Accordingly, Executive Directors may, subject to the approval of the Chairman and the CEO (or the Chairman only in the case of the CEO), serve as Non-Executive Directors on the boards of up to two non-associated companies (of which only one may be a major company) and they may retain remuneration arising from such appointments.

Nick Luff is a Non-Executive Director of Lloyds Banking Group plc and received fees of £45,000 since his appointment as a Director of RELX Group plc up to the end of 2014. Duncan Palmer is a Non-Executive Director of Oshkosh Corporation and received fees of £44,773 and 2,500 shares of Oshkosh common stock during the year up to the date of termination of his employment with RELX Group plc (£63,141 in 2013).

Payments to past Directors and payments for loss of office (audited)

There have been no payments to past Directors or payments for loss of office in 2014 other than those included in the single figure table and the notes thereto.

Statement of Directors' shareholdings and other share interests (audited)

Shareholding requirement

The Committee believes that a closer alignment of interests can be created between senior management and shareholders if executives build and maintain a significant personal stake in RELX Group plc. The shareholding requirements applicable to the Executive Directors are set out in the table below. Shares that count for this purpose are any type of Reed Elsevier PLC or Reed Elsevier NV security owned outright by the individual and their spouse, civil partner or dependent child.

Meeting the shareholding requirement is both a vesting condition for awards granted and a requirement to maintain eligibility for future awards. Shareholding requirements fall away on leaving the company.

On 31 December 2014, the Executive Directors' shareholdings were as follows (valued using the middle market closing prices of the relevant securities):

	Shareholding requirement (% of 31 December 2014 annual base salary)	Actual shareholding as at 31 December 2014 (% of 31 December 2014 annual base salary)
Erik Engstrom	300%	830%
Nick Luff	200%*	59%

* Nick Luff has until 31 December 2016 to build up to his required level of shareholding and is required to retain all net shares earned from incentive plans until he reaches this level.

Share interests

	Reed Elsevier PLC ordinary shares		Reed Elsevier NV ordinary shares	
	1 January 2014	31 December 2014	1 January 2014	31 December 2014
Erik Engstrom	114,552	118,552	513,765	516,765
Anthony Habgood	50,000	50,000	25,000	25,000
Wolfhart Hauser*		4,107	750	2,010
Adrian Hennah	5,163	10,508		
Lisa Hook			4,800	4,800
Marikevan Lier Lels				
Duncan Palmer	88	88**	30,022	30,022**
Nick Luff	*	17,187	*	12,106
Robert Polet	1,000	1,000		
Linda Sanford	3,600	6,700		
Ben van der Veer			5,000	7,000

* On date of appointment.

** On the date on which ceased to be an Executive Director.

There have been no changes in these share interests at the date of this Report for those who were Directors of RELX Group plc on 31 December 2014.

Multi-year incentive interests (audited)

All outstanding unvested options and share awards in the tables overleaf and on page 37 are subject to performance conditions. For disclosure purposes, any PLC and NV ADRs awarded under the BIP or the REGP have been converted into ordinary share equivalents. Between 31 December 2014 and the date of this Report, there have been no changes in the options or share awards held by Executive Directors.

Erik Engstrom

Options	Year of grant	Type of security	No. of options held on 1 Jan 2014	No. of options granted during 2014	Option price	No. of options exercised during 2014	Market price per share at exercise	No. of options held on 31 Dec 2014	Unvested options vesting on:	Options exercisable until:
ESOS	2006	PLC ord	178,895		£5.305	178,895	£9.138			
		NV ord	120,198		€11.470	120,198	€15.755			
	2011	PLC ord	139,146		£5.390			139,146		05 May 21
		NV ord	92,953		€8.969			92,953		05 May 21
	2012*	PLC ord	198,836		£5.155			198,836	02 May 15	02 May 22
		NV ord	139,742		€9.030			139,742	02 May 15	02 May 22
	2013	PLC ord	178,799		£7.345			178,799	09 May 16	09 May 23
		NV ord	124,337		€12.530			124,337	09 May 16	09 May 23
	2014	PLC ord		145,604	£9.245			145,604	07 Apr 17	07 Apr 24
		NV ord		102,839	€15.820			102,839	07 Apr 17	07 Apr 24
Total PLC ords			695,676	145,604		178,895		662,385		
Total NV ords			477,230	102,839		120,198		459,871		

* The performance outcome for the ESOS 2012 is set out on page 30.

Shares	Year of grant	Type of security	No. of unvested shares held on 1 Jan 2014	No. of shares awarded during 2014	Market price per share at award	No. of shares vested/ performance tested during 2014	Market price per share at vesting/ performance testing	No. of unvested/non -performance tested shares held on 31 Dec 2014	End of performance period	Date of release
BIP	2011	NV ord	122,352		€8.969	110,728	€15.975			
	2012[1]	NV ord	136,950		€9.030			136,950	Dec 2014	H1 2015
	2013	NV ord	96,830		€12.530			96,830	Dec 2015	H1 2016
	2014	NV ord		81,388	€15.820			81,388	Dec 2016	H1 2017
LTIP	2013	PLC ord	178,799		£7.345			178,799	Dec 2015	H1 2016
		NV ord	124,337		€12.530			124,337	Dec 2015	H1 2016
	2014	PLC ord		145,604	£9.245			145,604	Dec 2016	H1 2017
		NV ord		102,839	€15.820			102,839	Dec 2016	H1 2017
REGP[2]	2013	PLC ord	321,895		£7.760			321,895	Dec 2014	H1 2015
		NV ord	450,494		€13.150			450,494	Dec 2014	H1 2015
Total PLC ords			500,694	145,604				646,298		
Total NV ords			930,963	184,227		110,728		992,838		

1. The performance outcome for the BIP 2012 is set out on page 30.
2. The performance outcome for the second and final tranche of the REGP is set out on page 30. The deferred shares from the first tranche of the REGP (i.e. 214,855 PLC ordinary shares and 141,094 NV ordinary shares) were performance tested in H1 2013 and fully disclosed as part of the 2012 single total figure on page 91 of the 2013 Remuneration Report.

Nick Luff

Options	Year of grant	Type of security	No. of options held on 1 Jan 2014	No. of options granted during 2014	Option price	No. of options exercised during 2014	Market price per share at exercise	No. of options held on 31 Dec 2014	Unvested options vesting on	Options exercisable until
ESOS	2014	PLC ord		65,656	£9.900			65,656	02 Sep 17	02 Sep 24
		NV ord		46,963	€17.500			46,963	02 Sep 17	02 Sep 24
Total PLC ords				65,656				65,656		
Total NV ords				46,963				46,963		

Shares	Year of grant	Type of security	No. of unvested shares held on 1 Jan 2014	No. of shares awarded during 2014	Market price per share at award	No. of shares vested/ performance tested during 2014	Market price per share at vesting/ performance testing	No. of unvested/non-performance tested shares held on 31 Dec 2014	End of performance period	Date of release
BIP	2014	PLC ord		32,630	£9.900			32,630	Dec 2016	H1 2017
		NV ord		22,870	€17.500			22,870	Dec 2016	H1 2017
LTIP	2014	PLC ord		65,656	£9.900			65,656	Dec 2016	H1 2017
		NV ord		46,963	€17.500			46,963	Dec 2016	H1 2017
PSP	2014	PLC ord		65,656	£9.900			65,656	Dec 2014	H1 2015
		NV ord		46,963	€17.500			46,963	Dec 2014	H1 2015
	2014	PLC ord		65,656	£9.900			65,656	Dec 2015	H1 2016
		NV ord		46,963	€17.500			46,963	Dec 2015	H1 2016
Total PLC ords				229,598				229,598		
Total NV ords				163,759				163,759		

Duncan Palmer

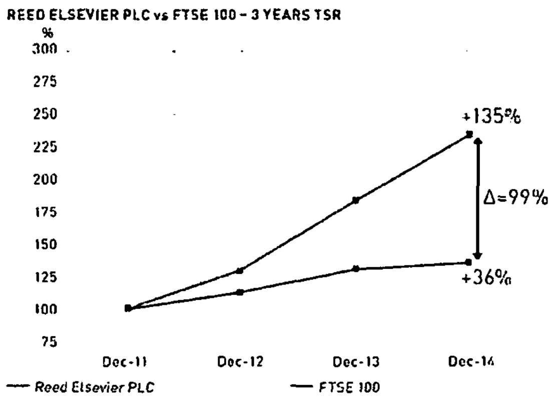
Shares	Year of grant	Type of security	No. of unvested shares held on 1 Jan 2014	No. of shares awarded during 2014	Market price per share at award	No. of shares vested/ performance tested during 2014	Market price per share at vesting/ performance testing	No. of unvested/non-performance tested shares held on 31 Dec 2014	End of performance period	Date of release
RSP*	2012	PLC ord	72,042		£6.015	72,042	£9.781			25 Sep 14
		NV ord	51,378			51,378	€17.570			25 Sep 14
Total PLC ords			72,042			72,042				
Total NV ords			51,378			51,378				

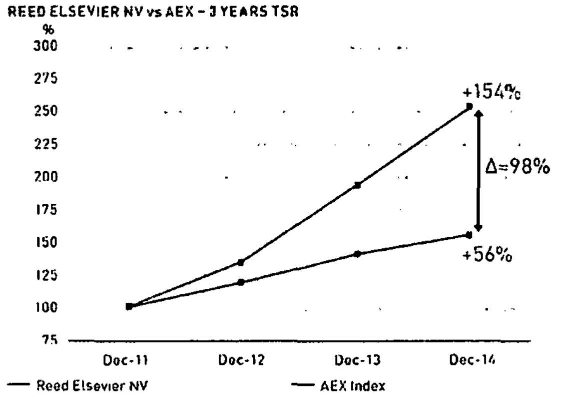
* Reflects the pro-rated number of shares following his resignation as previously disclosed. In accordance with the terms of the award, the full award was granted over Reed Elsevier PLC ordinary shares but half was settled with Reed Elsevier NV ordinary shares.

Performance graphs

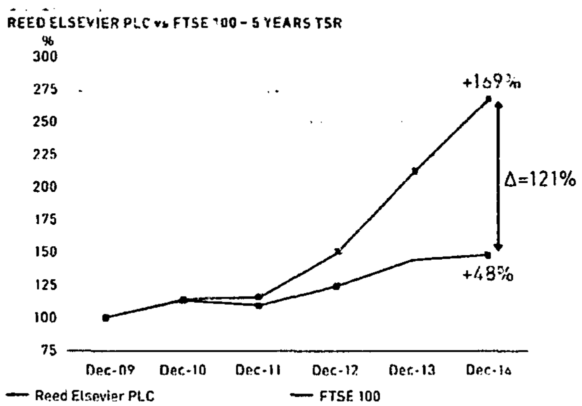
The graphs below show total shareholder returns for Reed Elsevier PLC and Reed Elsevier NV, calculated on the basis of the average share price in the 30 trading days before the respective year end and assuming dividends were reinvested. Reed Elsevier PLC's performance is compared with the FTSE 100 and Reed Elsevier NV with the AEX Index (to reflect their respective memberships of those indices), over the five years from 31 December 2009 to 31 December 2014. This period also reflect the tenure of the CEO and the TSR performance period for the final tranche of the REGP. The three-year charts cover the performance period of the 2012-14 cycles of BIP and ESOS.

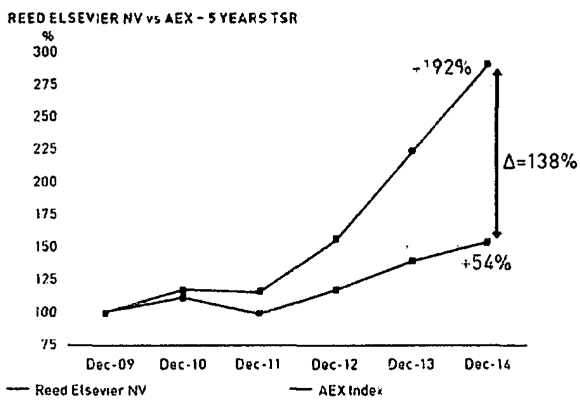
3 years



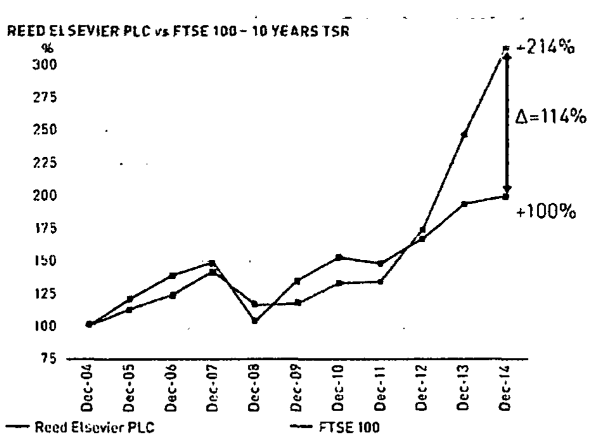


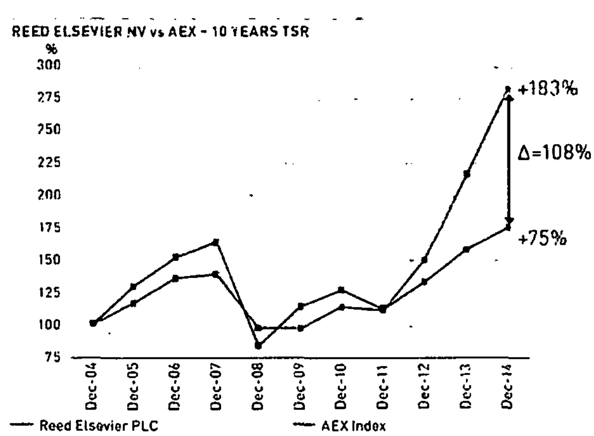
5 years





10 years





UK regulations require disclosure of the relative share performance for the six-year period, 2009-2014, of Reed Elsevier PLC. During that period the total return for the FTSE 100 was +94% while TSR for Reed Elsevier PLC was +170%, an outperformance of 76 percentage points.

CEO historical pay table

The table below shows the historical CEO pay over a seven-year period. 2008 has been included to show the pre-2009 position, as 2009 was a transition year with three CEO incumbents.

£'000	2008	2009[3]			2010	2011	2012	2013	2014
CEO	Sir Crispin Davis	Sir Crispin Davis	Ian Smith	Erik Engstrom	Erik Engstrom	Erik Engstrom	Erik Engstrom	Erik Engstrom	Erik Engstrom
Annualised base salary	1,181	1,181	900	1,000	1,000	1,025	1,051	1,077	1,104
Annual incentive payout as a % of maximum	61%	30%	37%	71%	67%	66%	73%	70%	71%
Multi-year incentive vesting as a % of maximum	100%	0%	0%	0%	0%	0%	70%[4]	96%[4]	90%[4]
CEO total (UK statutory basis)[1]	7,193	706	1,033	426	3,140	2,738	11,145[5]	5,425	16,176[6]
CEO total (Dutch Civil Code basis)[2]	6,631	(514)	1,033	431	2,675	5,045	5,443	6,067	6,808

1. **UK statutory basis:** This is described in footnote 2 to the Single Total Figure table on page 28.
2. **Dutch Civil Code basis:** This is described in footnote 3 to the Single Total Figure table on page 28.
3. Sir Crispin Davis was CEO from 1 January to 31 March, Ian Smith was CEO from 1 April to 10 November and Erik Engstrom was CEO from 11 November to 31 December.
4. The 2014 percentage reflects REGP tranche 2, BIP and ESOS. The 2013 percentage reflects BIP and ESOS only and the 2012 figure reflects REGP tranche 1 and BIP.
5. The 2012 figure reflects the vesting of tranche 1 of the REGP and includes the entire amount that was performance tested over the 2010-12 period, including the 50% of shares deferred until 2015 in accordance with the plan rules. It also includes £3m attributed to share price appreciation.
6. The 2014 figure includes the vesting of the second and final tranche of the discontinued REGP and includes £7.6m attributed to share price appreciation.

Comparison of change in CEO pay with change in employee pay

The table below shows the percentage change in remuneration (salary, benefits and annual incentive) from 2013 to 2014 for the CEO compared with the average employee.

	% change from 2013 to 2014	
	CEO	Average employee*
Salary	2.5%	2.5%
Benefits	2.0%	2.5%
Annual incentive	3.1%	3.3%

* This reflects a substantial proportion of our global employee population.

Relative importance of spend on pay

The following table sets out the total employee costs for all employees, as well as the amounts paid in dividends and share repurchases.

	2014 (£m)	2013 (£m)	% change
Employee costs*	1,709	1,775	-4%
Dividends	565	549	+3%
Share repurchases	600	600	0%

* Employee costs include wages and salaries, social security costs, pensions and Share based and related remuneration.

Implementation of Remuneration Policy in 2015

Salary: The Committee has awarded a salary increase of 2.5% to the Executive Directors, which means that, from 1 January 2015,Erik Engstrom's salary rose to £1,131,408 and Nick Luff's salary to £666,250. This is in line with the guidelines agreed for employees in RELX Group plc's most significant locations globally for 2015.

AIP: The operation of the AIP in 2015 remains the same as in 2014. Details of annual financial targets and KPOs are not disclosed as the Board believes that these are commercially sensitive and that disclosing them would give competitors an unfair insight into our strategic direction and annual execution plans. The targets are designed to be challenging relative to the 2015 execution plan.

Multi-year incentives: The award levels (% of salary) for 2015 are:

	CEO	CFO
BIP opportunity	100%	100%
LTIP	250%	200%
ESOS	250%	200%

The targets and vesting scales for the multi-year incentive awards granted in 2015 are as follows:

BIP: 2015-17 cycle

Match earned on personal investment	Average growth in adjusted EPS over the three-year performance period*	ROIC in the third year of the performance period*
0%	below 4% p.a.	below 12.3%
50%	4% p.a.	12.3%
75%	6.5% p.a.	12.8%
100%	9% p.a. or above	13.3% or above

* EPS and ROIC have equal weighting and straight-line vesting applies to performance between the points.

LTIP: 2015-17 cycle

Vesting is dependent on three separate performance measures of equal weighting: a TSR measure (comprising three comparator groups), an EPS measure and a ROIC measure.[1]

Vesting percentage of each third of the TSR tranche[2]	TSR ranking within the relevant TSR comparator group
0%	Below median
30%	Median
100%	Upper quartile

1. The calculation methodology for TSR, EPS and ROIC is set out in the 2013 Notices of Annual General Meetings, which can be found on our website. The methodology for selecting the TSR comparator group companies is unchanged from 2013 (see page 42 of the 2013 Remuneration Report).
2. Vesting is on a straight-line basis for performance between the minimum and maximum levels.
3. Each comparator group comprises approximately 40 companies. The companies for the 2015-17 LTIP cycle were selected on the same basis as the comparator groups for prior cycles under this plan.

Vesting percentage of EPS and ROIC tranches*	Average growth in adjusted EPS over the three-year performance period	ROIC in the third year of the performance period
0%	below 5% p.a.	below 12.3%
33%	5% p.a.	12.3%
52.5%	6% p.a.	12.55%
65%	7% p.a.	12.8%
75%	8% p.a.	13.05%
85%	9% p.a.	13.3%
92.5%	10% p.a.	13.55%
100%	11% p.a. or above	13.8% or above

* Vesting is on a straight-line basis for performance between the stated average adjusted EPS growth/ROIC percentages.

ESOS: 2015-2017 cycle

Proportion of the award vesting	Average growth in adjusted EPS over the three-year performance period*
0%	below 4% p.a.
33%	4% p.a.
80%	6% p.a.
100%	8% p.a. or above

* Vesting is on a straight-line basis for performance between the stated average adjusted EPS growth percentages.

DIRECTORS' REMUNERATION REPORT

Remuneration Committee advice

The Committee consists of independent Non-Executive Directors and the Chairman of RELX Group plc. The Chief Legal Officer & Company Secretary attends meetings as secretary to the Committee. At the invitation of the Chairman of the Committee, the CEO of RELX Group plc attends appropriate parts of the meetings. The CEO of RELX Group plc is not in attendance during discussions about his remuneration.

The Human Resources Director advised the Committee during the year.

Towers Watson is the external adviser, appointed by the Committee through a competitive process. Towers Watson also provided actuarial and other human resources consultancy services to some RELX Group plc companies during the year. The Committee is satisfied that the firm's advice continues to be objective and independent, and that no conflict of interest exists. The individual consultants who work with the Committee do not provide advice to the Executive Directors, or act on their behalf. Towers Watson is a member of the Remuneration Consultants' Group and conducts its work in line with the UK Code of Conduct for executive remuneration consulting. During 2014, Towers Watson received fees of £10,726 for advice given to the Committee, charged on a time and expense basis.

Shareholder Vote at 2014 Annual General Meetings

At the Annual General Meeting of Reed Elsevier NV, on 23 April 2014, votes cast by proxy and at the meeting in respect of the Directors' remuneration were as follows:

Resolution	Votes For	% For	Votes Against	% Against	Total votes cast	Votes Withheld
Award of shares to Nick Luff (approval)	481,844,636	99.62%	1,860,791	0.38%	483,705,427	1,797,764

At the Annual General Meeting of Reed Elsevier PLC, on 24 April 2014, votes cast by proxy and at the meeting in respect of the Directors' remuneration were as follows:

Resolution	Votes For	% For	Votes Against	% Against	Total votes cast	Votes Withheld
Remuneration Policy (approval)	834,792,974	93.83%	54,920,711	6.17%	889,713,685	25,296,745
Remuneration Report (advisory)	810,363,386	89.06%	99,538,952	10.94%	909,902,338	5,107,375

Approved by the Board of RELX Group plc on 25 February 2015.

Signed on behalf of the Board of RELX Group plc.

Chairman, Remuneration Committee
25 February 2015

INDEPENDENT AUDITOR'S REPORT

To the members of RELX Group plc (formerly Reed Elsevier Group plc)

We have audited the financial statements of RELX Group plc (formerly Reed Elsevier Group plc) for the year ended 31 December 2014 which comprise the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of cash flows, the consolidated statement of financial position, the consolidated statement of changes in equity, the consolidated accounting policies and related notes 1 to 30, the parent company balance sheet, the parent company statement of total recognised gains and losses, the parent company reconciliation of shareholders' funds and the parent company accounting policies. The financial reporting framework that has been applied in the preparation of the group financial statements is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union. The financial reporting framework that has been applied in the preparation of the parent company financial statements 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' Report, the directors are responsible for 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 group's and parent 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 state of the group's and of the parent company's affairs as at 31 December 2014 and of the group's profit for the year then ended; and
- the group financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union;
- the parent company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements 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 Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

INDEPENDENT AUDITOR'S REPORT

To the members of RELX Group plc (formerly Reed Elsevier Group plc)

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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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.

G. Richardson

Graham Richardson (Senior statutory auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
London, United Kingdom
25 February 2015

CONSOLIDATED INCOME STATEMENT
For the year ended 31 December 2014

	Note	2014 £m	2013 £m
Revenue	1	**5,752**	6,012
Cost of sales		**(1,997)**	(2,107)
Gross profit		**3,755**	3,905
Selling and distribution costs		**(931)**	(1,002)
Administration and other expenses		**(1,509)**	(1,596)
Operating profit before joint ventures		**1,315**	1,307
Share of results of joint ventures		**36**	29
Operating profit	1, 2	**1,351**	1,336
Finance income	7	**7**	6
Finance costs	7	**(379)**	(441)
Net finance costs		**(372)**	(435)
Disposals and other non operating items	8	**99**	17
Profit before tax		**1,078**	918
Current tax		**(348)**	(338)
Deferred tax		**82**	247
Tax expense	9	**(266)**	(91)
Net profit for the year		**812**	827
Attributable to:			
Equity shareholders		**807**	822
Non-controlling interests		**5**	5
Net profit for the year		**812**	827

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the year ended 31 December 2014

	Note	2014 £m	2013 £m
Net profit for the year		**812**	827
Items that will not be reclassified to profit or loss:			
Actuarial (losses)/gains on defined benefit pension schemes	5	**(266)**	40
Tax on items that will not be reclassified to profit or loss	9	**63**	(24)
Total items that will not be reclassified to profit or loss		**(203)**	16
Items that may be reclassified subsequently to profit or loss:			
Exchange difference on translation of foreign operations		**(73)**	(35)
Fair value movements on available for sale investments		**11**	45
Fair value movements on cash flow hedges	18	**(29)**	64
Transfer to net profit from cash flow hedge reserve	18	**(37)**	(3)
Tax on items that may be reclassified to profit or loss	9	**13**	(15)
Total items that may be reclassified to profit or loss		**(115)**	56
Other comprehensive (loss)/income for the year		**(318)**	72
Total comprehensive income for the year		**494**	899
Attributable to:			
Equity shareholders		**489**	894
Non-controlling interests		**5**	5
Total comprehensive income for the year		**494**	899

CONSOLIDATED STATEMENT OF CASH FLOWS
For the year ended 31 December 2014

	Note	2014 £m	2013 £m
Cash flows from operating activities			
Cash generated from operations	11	**1,799**	1,900
Interest paid		**(114)**	(157)
Interest received		**12**	4
Net interest paid to Reed Elsevier NV		**(19)**	(16)
Net interest paid to Reed Elsevier PLC		**(14)**	(10)
Net interest paid to the Elsevier Reed Finance BV group		**(188)**	(258)
Tax paid (net)		**(329)**	(345)
Net cash from operating activities		**1,147**	1,118
Cash flows from investing activities			
Acquisitions	11	**(389)**	(214)
Purchases of property, plant and equipment		**(67)**	(57)
Expenditure on internally developed intangible assets		**(203)**	(251)
Purchase of investments		**(38)**	(10)
Proceeds from disposals of property, plant and equipment		**10**	6
Gross proceeds from business disposals		**193**	314
Payments on business disposals		**(25)**	(116)
Dividends received from joint ventures		**44**	22
Net cash used in investing activities		**(475)**	(306)
Cash flows from financing activities			
Dividends paid to parent companies		**(742)**	-
Distributions to non-controlling interests		**(7)**	(6)
Decrease in net borrowings from shareholders and fellow affiliates		**(156)**	(1,025)
Increase in short term bank loans, overdrafts and commercial paper	11	**99**	51
Issuance of term debt	11	**300**	-
Repayment of term debt		**(12)**	(322)
Repayment of finance leases		**(10)**	(10)
Acquisition of non-controlling interest		**(15)**	-
Net cash used in financing activities		**(543)**	(1,312)
Increase/(decrease) in cash and cash equivalents	11	**129**	(500)
Movement in cash and cash equivalents			
At start of year		**74**	582
Increase/(decrease) in cash and cash equivalents		**129**	(500)
Exchange translation differences		**15**	(8)
At end of year		**218**	74

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 31 December 2014

	Note	2014 £m	2013 £m
Non-current assets			
Goodwill	14	**5,011**	4,608
Intangible assets	15	**3,279**	3,261
Investments in joint ventures	16	**125**	125
Other investments	16	**282**	247
Property, plant and equipment	17	**227**	236
Deferred tax assets	19	**722**	437
Derivative financial instruments	18	**46**	59
		9,692	8,973
Current assets			
Inventories and pre-publication costs	20	**138**	139
Trade and other receivables	21	**1,473**	1,404
Derivative financial instruments	18	**31**	56
Amounts owed by Reed Elsevier PLC		**788**	814
Amounts owed by the Elsevier Reed Finance BV group		**204**	83
Cash and cash equivalents	11	**218**	74
		2,852	2,570
Assets held for sale		**-**	21
Total assets		**12,544**	11,564
Current liabilities			
Trade and other payables	22	**2,605**	2,565
Derivative financial instruments	18	**23**	4
Borrowings	23	**216**	97
Amounts owed to Reed Elsevier NV	23	**689**	856
Amounts owed to Reed Elsevier PLC	23	**1,319**	1,318
Amounts owed to Reed Holding BV	23	**33**	7
Amounts owed to the Elsevier Reed Finance BV group	23	**1,453**	1,531
Taxation		**532**	526
Provisions	25	**19**	17
		6,889	6,921
Non-current liabilities			
Derivative financial instruments	18	**22**	4
Borrowings	23	**2,160**	1,799
Amounts owed to the Elsevier Reed Finance BV group	23	**4,413**	4,020
Deferred tax liabilities	19	**1,372**	1,125
Net pension obligations	5	**632**	379
Provisions	25	**104**	116
		8,703	7,443
Liabilities associated with assets held for sale		**2**	3
Total liabilities		**15,594**	14,367
Net liabilities		**(3,050)**	(2,803)
Capital and reserves			
Share capital		**-**	-
Share premium		**2,430**	2,430
Translation reserve		**(796)**	(723)
Other reserves	27	**(4,715)**	(4,543)
Consolidated shareholders' deficit		**(3,081)**	(2,836)
Non-controlling interests		**31**	33
Total deficit		**(3,050)**	(2,803)

The financial statements of RELX Group plc, registered number 2746616, were approved by the Board of Directors and authorised for issue on 25 February 2015. They were signed on its behalf by:

N L Luff
Chief Financial Officer

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the year ended 31 December 2014

	Note	Share capital £m	Share premium £m	Translation reserve £m	Other reserves £m	Consolidated shareholders' deficit £m	Non-controlling interests £m	Total deficit £m
Balance at 1 January 2013		–	2,430	(688)	(5,480)	(3,738)	34	(3,704)
Total comprehensive income for the year		–	–	(35)	929	894	5	899
Dividends paid	13	–	–	–	–	–	(6)	(6)
Increase in share based remuneration reserve (net of tax)		–	–	–	48	48	–	48
Settlement of share awards		–	–	–	(40)	(40)	–	(40)
Balance at 31 December 2013		–	2,430	(723)	(4,543)	(2,836)	33	(2,803)

	Note	**Share capital £m**	**Share premium £m**	**Translation reserve £m**	**Other reserves £m**	**Consolidated shareholders' deficit £m**	**Non-controlling interests £m**	**Total deficit £m**
Balance at 1 January 2014		–	**2,430**	**(723)**	**(4,543)**	**(2,836)**	**33**	**(2,803)**
Total comprehensive income for the year		–	–	**(73)**	**562**	**489**	**5**	**494**
Dividends paid	13	–	–	–	**(742)**	**(742)**	**(7)**	**(749)**
Increase in share based remuneration reserve (net of tax)		–	–	–	**48**	**48**	–	**48**
Settlement of share awards		–	–	–	**(27)**	**(27)**	–	**(27)**
Acquisitions		–	–	–	–	–	**1**	**1**
Acquisition of non-controlling interest		–	–	–	**(13)**	**(13)**	**(2)**	**(15)**
Exchange differences on translation of capital and reserves		–	–	–	–	–	**1**	**1**
Balance at 31 December 2014		–	**2,430**	**(796)**	**(4,715)**	**(3,081)**	**31**	**(3,050)**

ACCOUNTING POLICIES

Basis of preparation

The RELX Group plc (formerly Reed Elsevier Group plc) consolidated financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union and as issued by the International Accounting Standards Board (IASB). The consolidated financial statements are prepared on a going concern basis.

The RELX Group plc accounting policies under IFRS are set out below.

In preparing the consolidated financial statements, subsidiaries of RELX Group plc are accounted for under the acquisition method and investments in associates and joint ventures are accounted for under the equity method. All transactions and balances between the consolidated businesses are eliminated.

On acquisition of a subsidiary, or interest in an associate or joint venture, fair values, reflecting conditions at the date of acquisition, are attributed to the net assets, including identifiable intangible assets acquired. This includes those adjustments made to bring accounting policies into line with those of the consolidated businesses. The results of subsidiaries sold or acquired are included in the consolidated financial statements up to or from the date that control passes from or to the consolidated businesses.

Non-controlling interests in the net assets of the consolidated businesses are identified separately from consolidated RELX Group plc shareholders' equity. Non-controlling interests consist of the amount of those interests at the date of the original acquisition and the non-controlling share of changes in equity since the date of acquisition.

Foreign exchange translation

The consolidated financial statements are presented in pounds sterling.

Transactions in foreign currencies are recorded at the rate of exchange prevailing on the date of the transaction. At each statement of financial position date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rate prevailing on the statement of financial position date. Exchange differences arising are recorded in the income statement other than where hedge accounting applies as set out below.

Assets and liabilities of foreign operations are translated at exchange rates prevailing on the statement of financial position date. Income and expense items and cash flows of foreign operations are translated at the average exchange rate for the period. Significant individual items of income and expense and cash flows in foreign operations are translated at the rate prevailing on the date of transaction. Exchange differences arising are classified as equity and transferred to the translation reserve. When foreign operations are disposed of, the related cumulative translation differences are recognised within the income statement in the period.

RELX Group plc uses derivative financial instruments, primarily forward contracts, to hedge its exposure to certain foreign exchange risks. Details of RELX Group plc's accounting policies in respect of derivative financial instruments are set out below.

Revenue

Revenue represents the invoiced value of sales less anticipated returns on transactions completed by performance, excluding customer sales taxes.

Revenues are recognised for the various categories as follows: subscriptions – on periodic dispatch of subscribed product or rateably over the period of the subscription where performance is not measurable by dispatch; transactional – on dispatch or occurrence of the transaction; and advertising – on publication or over the period of online display.

Where sales consist of two or more independent components whose value can be reliably measured, revenue is recognised on each component as it is completed by performance, based on attribution of relative value.

Employee benefits

The expense of defined benefit pension schemes and other post-retirement employee benefits is determined using the projected unit credit method and charged in the income statement as an operating expense, based on actuarial assumptions reflecting market conditions at the beginning of the financial year. Actuarial gains and losses are recognised in full in the statement of comprehensive income in the period in which they occur.

Past service costs are recognised immediately at the earlier of when plan amendments or curtailments occur and when related restructuring costs or termination benefits are recognised. Settlements are recognised when they occur.

Net pension obligations in respect of defined benefit schemes are included in the statement of financial position at the present value of scheme liabilities, less the fair value of scheme assets. Where schemes are in surplus, i.e. assets exceed liabilities, the net pension assets are separately included in the statement of financial position. Any net pension asset is limited to the extent that the asset is recoverable through reductions in future contributions.

The expense of defined contribution pension schemes and other employee benefits is charged in the income statement as incurred.

Share based remuneration

The fair value of share based remuneration is determined at the date of grant and recognised as an expense in the income statement 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. All RELX Group plc group's share based remuneration is equity settled by the ultimate holding companies, Reed Elsevier PLC and Reed Elsevier NV, and is accounted for as equity settled in RELX Group plc.

Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of an asset that takes a substantial period of time to bring to use are capitalised. All other interest on borrowings is expensed as incurred. The cost of issuing borrowings is generally expensed over the period of borrowing so as to produce a constant periodic rate of charge.

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 profit or loss (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.

Goodwill

On the acquisition of a subsidiary or 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 acquisitions also includes amounts corresponding to deferred tax liabilities recognised in respect of acquired intangible assets.

Goodwill is recognised as an asset and reviewed for impairment when there is an indicator that the asset may be impaired and at least annually. Any impairment is recognised immediately in the income statement and not subsequently reversed.

On disposal of a subsidiary or business, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

Intangible assets

Intangible assets acquired as part of a business combination are stated in the statement of financial position at their fair value as at the date of acquisition, less accumulated amortisation. Internally generated intangible assets are stated in the statement of financial position at the directly attributable cost of creation of the asset, less accumulated amortisation.

Intangible assets acquired as part of business combinations comprise: market-related assets (e.g. trademarks, imprints, brands); customer-related assets (e.g. subscription bases, customer lists, customer relationships); editorial content; software and systems (e.g. application infrastructure, product delivery platforms, in process research and development); contract-based assets (e.g. publishing rights, exhibition rights, supply contracts); and other intangible assets. Internally generated intangible assets typically comprise software and systems development where an identifiable asset is created that is probable to generate future economic benefits.

Intangible assets, other than brands and imprints determined to have indefinite lives, are amortised on a straight-line basis over their estimated useful lives. The estimated useful lives of intangible assets with finite lives are as follows: market and customer-related assets – 3 to 40 years; content, software and other acquired intangible assets – 3 to 20 years; and internally developed intangible assets – 3 to 10 years. Brands and imprints determined to have indefinite lives are not amortised and are subject to impairment review at least annually.

Property, plant and equipment

Property, plant and equipment are stated in the statement of financial position at cost less accumulated depreciation. No depreciation is provided on freehold land. Freehold buildings and long leases are depreciated over their estimated useful lives up to a maximum of 50 years. Short leases are written off over the duration of the lease. Depreciation is provided on other assets on a straight-line basis over their estimated useful lives as follows: leasehold improvements – shorter of life of lease and 10 years; plant – 3 to 20 years; office furniture, fixtures and fittings – 5 to 10 years; computer systems, communication networks and equipment – 3 to 7 years.

Investments

Investments, other than investments in joint arrangements and associates, are stated in the statement of financial position at fair value. Investments held as part of the venture capital portfolio are classified as held for trading, with changes in fair value reported in disposals and other non operating items in the income statement. All other investments are classified as available for sale with changes in fair value recognised directly in equity until the investment is disposed of or is determined to be impaired, at which time the cumulative gain or loss previously recognised in equity is brought into the net profit or loss for the period. All items recognised in the income statement relating to investments, other than investments in joint arrangements and associates, are reported as disposals and other non operating items.

Available for sale investments and venture capital investments held for trading represent investments in listed and unlisted securities. The fair value of listed securities is determined based on quoted market prices, and of unlisted securities on management's estimate of fair value based on standard valuation techniques, including market comparisons and discounts of future cash flows, having regard to maximising the use of observable inputs and adjusting for risk. Advice from valuation experts is used as appropriate.

Shares of the parent companies, Reed Elsevier PLC and Reed Elsevier NV, that are purchased by the RELX Group plc Employee Benefit Trust are classified as investments available for sale and are held at market value with changes in fair value recognised directly in equity.

All of RELX Group plc's joint arrangements are classified as joint ventures because RELX Group plc shares joint control and has rights to the net assets of the arrangements. 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 RELX Group plc's share of net assets, less any impairment in value.

Impairment

At each statement of financial position date, the carrying amounts of tangible and intangible assets and goodwill are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount, which is the higher of value in use and fair value less costs to sell, of the asset is estimated in order to determine the extent, if any, of the impairment loss. Where the asset does not generate cash flows that are independent from other assets, value in use estimates are made based on the cash flows of the cash generating unit to which the asset belongs. Intangible assets with an indefinite useful life are tested for impairment at least annually and whenever there is any indication that the asset may be impaired.

If the recoverable amount of an asset or cash generating unit is estimated to be less than its net carrying amount, the net carrying amount of the asset or cash generating unit is reduced to its recoverable amount. Impairment losses are recognised immediately in the income statement in administration and other expenses.

Inventories and pre-publication costs

Inventories and pre-publication costs are stated at the lower of cost, including appropriate attributable overhead, and estimated net realisable value. Pre-publication costs, representing costs incurred in the origination of content prior to publication, are expensed systematically reflecting the expected sales profile over the estimated economic lives of the related products, generally up to five years.

Leases

Assets held under leases which confer rights and obligations similar to those attaching to owned assets are classified as assets held under finance leases and capitalised within property, plant and equipment or software and the corresponding liability to pay rentals is shown net of interest in the statement of financial position as obligations under finance leases. The capitalised value of the assets is depreciated on a straight-line basis over the shorter of the periods of the leases or the useful lives of the assets concerned. The interest element of the lease payments is allocated so as to produce a constant periodic rate of charge.

Operating lease rentals are charged to the income statement on a straight-line basis over the period of the leases. Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances, call deposits and other short-term highly liquid investments and are held in the statement of financial position at fair value.

Assets held for sale

Assets of businesses that are available for immediate sale in their current condition and for which a sales process is considered highly probable to complete are classified as assets held for sale, and are carried at the lower of carrying value and fair value less costs to sell. Fair value is based on anticipated disposal proceeds, typically derived from firm or indicative offers from potential acquirers. Non-current assets are not amortised or depreciated following their classification as held for sale. Liabilities of businesses held for sale are also separately classified on the statement of financial position.

Financial instruments

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

Investments (other than investments in joint ventures and associates) are classified as either held for trading or available for sale, as described above. The fair value of such investments is based on either quoted market prices or other observable market inputs. (These investments are typically classified as either Level 1 or 2 in the IFRS13 fair value hierarchy).

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 (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 interest rate and 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 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.

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.

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.

The fair values of interest rate swaps, interest rate options, forward rate agreements and forward foreign exchange contracts represent the replacement costs calculated using observable market rates of interest and exchange. The fair value of long-term borrowings is calculated by discounting expected future cash flows at observable market rates. (These instruments are accordingly classified as Level 2 in the IFRS13 fair value hierarchy.)

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.

Provisions

Provisions are recognised when a present obligation exists as a result of a past event, the obligation is reasonably estimable, and it is probable that settlement will be required. Provisions are measured at the best estimate of the expenditure required to settle the obligation at the statement of financial position date.

ACCOUNTING POLICIES

Critical judgements and key sources of estimation uncertainty

The most significant accounting policies in determining the financial condition and results of the consolidated businesses, and those requiring the most subjective or complex judgement, relate to the valuation of goodwill and intangible assets, capitalisation of development spend, taxation and accounting for defined benefit pension schemes.

Goodwill and acquired intangible assets
On acquisition of a subsidiary or business, the purchase consideration is allocated between the net tangible and intangible assets other than goodwill on a fair value basis, with any excess purchase consideration representing goodwill. The valuation of acquired intangible assets represents the estimated economic value in use, using standard valuation methodologies, including as appropriate, discounted cash flow, relief from royalty and comparable market transactions. Acquired intangible assets are capitalised and amortised systematically over their estimated useful lives, subject to impairment review.

Appropriate amortisation periods are selected based on assessments of the longevity of the brands and imprints, the strength and stability of customer relationships, the market positions of the acquired assets and the technological and competitive risks that they face. Certain intangible assets in relation to acquired science and medical publishing businesses have been determined to have indefinite lives. The longevity of these assets is evidenced by their long established and well regarded brands and imprints, and their characteristically stable market positions.

The carrying amounts of goodwill and indefinite lived intangible assets in each business are reviewed for impairment at least annually. The carrying amounts of all other intangible assets are reviewed where there are indications of possible impairment. An impairment review involves a comparison of the carrying value of the asset with estimated values in use based on the latest management cash flow projections approved by the Board. Key areas of judgement in estimating the values in use of businesses are the growth in cash flows over a forecast period of up to five years, the long-term growth rate assumed thereafter and the discount rate applied to the forecast cash flows. A description of the key assumptions and sensitivities is provided in note 14.

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.

Taxation
RELX Group plc is subject to tax in numerous jurisdictions, giving rise to complex tax issues that require management to exercise judgement in making tax determinations. While RELX Group plc is confident that tax returns are appropriately prepared and filed, amounts are provided in respect of uncertain tax positions that reflect the risk with respect to tax matters under active discussion with tax authorities, or which are otherwise considered to involve uncertainty. Amounts are provided using the best estimate of tax expected to be paid based on a qualitative assessment of all relevant factors. However, it is possible that at some future date liabilities may be adjusted as a result of audits by taxing authorities. Discussions with tax authorities relating to cross-border transactions and other matters are ongoing. Although the outcome of these discussions cannot be predicted, no significant impact on the financial position of RELX Group plc is expected.

In addition, 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.

Pensions
RELX Group plc operates a number of defined benefit pension schemes across the world. The largest schemes are in the UK, the US and the Netherlands, as described in note 5 to the consolidated financial statements. These schemes require management to exercise judgement in estimating the ultimate cost of providing post-employment benefits, especially given the length of each scheme's liabilities. The recognition of certain scheme liabilities is also subject to judgement. Accounting for defined benefit pension schemes involves judgement about uncertain events, including the life expectancy of the members, salary and pension increases, inflation, the future operation of each scheme and the rate at which the future pension payments are discounted. Estimates for these factors are used in determining the

pension cost and liabilities reported in the financial statements. The estimates made around future developments of each of the critical assumptions are made in conjunction with independent actuaries. Each scheme is subject to a periodic review by independent actuaries. Information regarding some of the assumptions used for valuation is provided in note 5 to the consolidated financial statements, together with a sensitivity analysis.

Other significant accounting policies
The accounting policies in respect of revenue recognition, pre-publication costs, and property provisioning are also significant in determining the financial condition and results of the RELX Group plc group, although the application of these policies is more straightforward.

Revenue recognition policies, while an area of management focus, are generally straightforward in application 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.

Pre-publication costs incurred in the creation of content prior to production and publication are typically deferred and expensed over their estimated useful lives based on sales profiles. Such costs typically comprise direct internal labour costs and externally commissioned editorial and other fees. Estimated useful lives generally do not exceed five years. Annual reviews are carried out to assess the recoverability of carrying amounts.

RELX Group plc has exposures to sub-lease shortfalls in respect of certain property leases for periods up to 2024. Provisions are recognised for net liabilities expected to arise on these exposures. Estimation of the provisions requires judgement in respect of future head lease costs, sub-lease income and the length of vacancy periods. The charge for property provisions was nil (2013: nil). Further information is provided in note 25 to the consolidated financial statements.

Standards and amendments effective for the year

The interpretations and amendments to IFRS effective for 2014 have not had a significant impact on RELX Group plc's accounting policies or reporting.

Standards, amendments and interpretations not yet effective

New accounting standards and amendments and their expected impact on the future accounting policies and reporting of RELX Group plc are set out below.

IFRS15 – Revenue from Contracts with Customers (effective for the 2017 financial year). The new standard provides a single point of reference for revenue recognition replacing a range of different revenue accounting standards, interpretations and guidance. RELX Group plc is in the process of assessing the impact of this new standard.

IFRS9 – Financial Instruments (effective for the 2018 financial year). The standard replaces the existing classification and measurement requirements in IAS39 for financial assets by requiring entities to classify them as being measured either at amortised cost or fair value depending on the business model and contractual cash flow characteristics of the asset. For financial liabilities, IFRS9 requires an entity choosing to measure a liability at fair value to present the portion of the change in its fair value due to changes in the entity's own credit risk in the other comprehensive income rather than the income statement. Adoption of the standard is not expected to have a significant impact on the measurement, presentation or disclosure of financial assets and liabilities in the consolidated financial statements.

Additionally, a number of amendments and interpretations have been issued which are not expected to have any significant impact on RELX Group plc's accounting policies and reporting.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 December 2014

1. Segment analysis

RELX Group plc is a world leading provider of professional information solutions serving four market segments: Scientific, Technical & Medical, providing information and tools to help its customers improve scientific and healthcare outcomes; Risk & Business Information, providing data analytics and insight that enables customers to evaluate and manage risk and develop market intelligence; Legal, providing legal, tax and regulatory news and business information to legal, corporate, government, accounting and academic markets; and Exhibitions, organising exhibitions and conferences.

RELX Group plc's reported segments are based on the internal reporting structure and financial information provided to the Boards. During 2014, Risk Solutions and Business Information have been combined into one business area, having previously operated separately. Accordingly, they are now presented as a single operating segment. Comparative figures have been presented as if the businesses had operated on a combined basis in the prior year.

Following a review of activities, assets and costs across the business, RELX Group plc introduced a new method for the allocation of corporate and shared costs from 1 January 2014. Previously unallocated items and costs relating to shared activities and resources have been attributed to the business segments on the basis of usage and benefits derived. This new allocation reflects an increased level of shared resources and capitalised costs. Comparative adjusted operating profit and operating profit figures have been restated as if this allocation method had operated in the prior year. This reflects the presentation of financial information provided to the Board.

Adjusted operating profit is the key segmental profit measure used by RELX Group plc in assessing performance. Adjusted operating profit is reconciled to operating profit in note 10.

Analysis by business segment	**Revenue**		**Operating profit**		**Adjusted operating profit**	
	2014 £m	2013 £m	**2014 £m**	Restated 2013 £m	**2014 £m**	Restated 2013 £m
Scientific, Technical & Medical	**2,027**	2,103	**643**	677	**722**	752
Risk & Business Information	**1,439**	1,480	**377**	371	**506**	508
Legal	**1,396**	1,567	**167**	141	**253**	250
Exhibitions	**890**	862	**165**	151	**209**	203
Sub-total	**5,752**	6,012	**1,352**	1,340	**1,690**	1,713
Corporate costs	**-**	-	**(1)**	(4)	**(2)**	(3)
Total	**5,752**	6,012	**1,351**	1,336	**1,688**	1,710

Share of post-tax results of joint ventures of £36m (2013: £29m) included in operating profit comprises £16m (2013: £6m) relating to Legal and £20m (2013: £23m) relating to Exhibitions.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 December 2014

1. **Segment analysis (continued)**

Analysis of revenue by geographical origin	**2014 £m**	2013 £m
North America	**2,884**	3,103
United Kingdom	**1,013**	985
The Netherlands	**636**	656
Rest of Europe	**686**	698
Rest of world	**533**	570
Total	**5,752**	6,012

Analysis of revenue by geographical market	**2014 £m**	2013 £m
North America	**2,878**	3,082
United Kingdom	**455**	443
The Netherlands	**153**	166
Rest of Europe	**1,053**	1,074
Rest of world	**1,213**	1,247
Total	**5,752**	6,012

Analysis of revenue by format	**2014 £m**	2013 £m
Electronic	**3,838**	3,971
Print	**992**	1,145
Face-to-face	**922**	896
Total	**5,752**	6,012

Analysis of revenue by type	**2014 £m**	2013 £m
Subscriptions	**2,964**	3,112
Transactional	**2,653**	2,660
Advertising	**135**	240
Total	**5,752**	6,012

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 December 2014

1. Segment analysis (continued)

Analysis by business segment	Expenditure on acquired goodwill and intangible assets		Capital expenditure additions		Amortisation of acquired intangible assets		Depreciation and other amortisation	
	2014 **£m**	2013 £m	**2014** **£m**	2013 £m	**2014** **£m**	Restated 2013 £m	**2014** **£m**	Restated 2013 £m
Scientific, Technical & Medical	**25**	49	**56**	93	**79**	87	**94**	100
Risk & Business Information	**330**	169	**53**	43	**116**	128	**34**	33
Legal	**44**	9	**145**	170	**57**	64	**94**	101
Exhibitions	**21**	56	**27**	15	**34**	40	**15**	15
Total	**420**	283	**281**	321	**286**	319	**237**	249

Capital expenditure comprises additions to property, plant and equipment and internally developed intangible assets. Amortisation of acquired intangible assets includes amounts in respect of joint ventures of £3m (2013: nil) in Legal and £1m (2013: £1m) in Exhibitions. Other than the depreciation and amortisation above, non-cash items include £32m (2013: £31m) relating to the recognition of share based remuneration, comprising £12m (2013: £11m) in Scientific, Technical & Medical, £8m (2013: £8m) in Risk & Business Information, £7m (2013: £7m) in Legal and £5m (2013: £5m) in Exhibitions.

Analysis of non-current assets by geographical location	**2014** **£m**	2013 £m
North America	**6,567**	6,283
United Kingdom	**871**	738
The Netherlands	**110**	127
Rest of Europe	**961**	929
Rest of world	**415**	400
Total	**8,924**	8,477

Non-current assets by geographic location exclude amounts relating to deferred tax and derivative financial instruments.

2. Operating profit

Operating profit is stated after charging/(crediting) the following:

	Note	2014 £m	2013 £m
Staff costs			
Wages and salaries		**1,406**	1,500
Social security costs		**166**	173
Pensions	5	**95**	61
Share based remuneration	6	**32**	31
Total staff costs		**1,699**	1,765
Depreciation and amortisation			
Amortisation of acquired intangible assets	15	**282**	318
Share of joint ventures' amortisation of acquired intangible assets		**4**	1
Amortisation of internally developed intangible assets	15	**158**	160
Depreciation of property, plant and equipment	17	**79**	89
Total depreciation and amortisation		**523**	568
Other expenses and income			
Pre-publication costs, inventory expenses and other cost of sales		**1,997**	2,107
Royalties payable to the Elsevier Reed Finance BV group		**54**	45
Operating lease rentals expense		**90**	108
Operating lease rentals income		**(8)**	(10)

The amortisation of acquired intangible assets is included within administration and other expenses.

3. Auditor's remuneration

	2014 £m	2013 £m
Auditor's remuneration		
Payable to the auditors of the parent company	**0.4**	0.4
Payable to the auditors of the operating and financing businesses	**4.2**	4.3
For audit services	**4.6**	4.7
Audit-related assurance services	**0.5**	0.4
Tax services	**1.0**	1.8
Due diligence and other transaction-related services	**0.3**	-
For non-audit services	**1.8**	2.2
Total auditor's remuneration	**6.4**	6.9

Amounts payable to the auditors of the operating and financing businesses include amounts for the review and testing of internal controls over financial reporting in accordance with the US Sarbanes-Oxley Act. Non-audit services performed in the Netherlands or by Deloitte BV are limited to audit-related assurance services.

4. Personnel

Number of people employed: full time equivalents

	At 31 December		Average during the year	
	2014	2013	**2014**	2013
Business segment				
Scientific, Technical & Medical	**6,800**	6,500	**6,700**	6,700
Risk & Business Information	**7,400**	7,200	**7,300**	7,700
Legal	**9,500**	10,000	**9,600**	10,400
Exhibitions	**3,700**	3,400	**3,500**	3,300
Sub-total	**27,400**	27,100	**27,100**	28,100
Corporate/shared functions	**900**	900	**900**	900
Total	**28,300**	28,000	**28,000**	29,000
Geographical location				
North America	**13,300**	13,900	**13,400**	14,800
United Kingdom	**4,300**	4,100	**4,200**	4,100
The Netherlands	**1,600**	1,600	**1,600**	1,600
Rest of Europe	**2,700**	2,700	**2,700**	3,000
Rest of world	**6,400**	5,700	**6,100**	5,500
Total	**28,300**	28,000	**28,000**	29,000

5. Pension schemes

A number of pension schemes are operated around the world. Historically, the largest schemes have been local versions of the defined benefit type with assets held in separate trustee administered funds. The largest defined benefit schemes are in the UK, the US and the Netherlands.

The UK scheme is a final salary scheme and is closed to new hires. Members accrue a portion of their final pensionable earnings based on the number of years of service. The US scheme is a cash balance scheme and is closed to new hires. Members earn pay credits dependent on age and years of service up to certain limits which are added to an account balance that accrues interest at specified minimum rates. The Netherlands scheme is a career average salary scheme and remains open to new hires. Members accrue a portion of their current salary at a rate calculated to enable them to reach a pension level based on their average salary.

Each of the major defined benefit schemes is administered by a separate fund that is legally separated from RELX Group plc. The trustees of the pension funds in the UK and the Netherlands and plan fiduciaries of the US scheme are required by law to act in the interest of the funds' beneficiaries. In the UK and in the Netherlands the trustees of the pension fund are responsible for the investment policy with regard to the assets of the fund. The boards of trustees consist of an equal number of RELX Group plc appointed and member nominated Directors. In the US, the fiduciary duties for the scheme are allocated between committees which are staffed by senior employees of RELX Group plc; the investment committee has the primary responsibility for the investment and management of plan assets.

The funding of RELX Group plc's major schemes reflects the different rules within each jurisdiction.

In the UK the level of funding is determined by statutory triennial actuarial valuations in accordance with pensions legislation. Where the scheme falls below 100% funded status, RELX Group plc and the scheme trustees must agree on how the deficit is to be remedied. The UK Pensions Regulator has significant powers and sets out in codes and guidance the parameters for scheme funding.

The US scheme has an annual statutory valuation which forms the basis for establishing the employer contribution each year (subject to ERISA and IRS minimums). Should the statutory funded status fall to below 100%, the US Pensions Protection Act requires the deficit to be rectified with additional contributions over a seven year period.

5. Pension schemes (continued)

In the Netherlands, on a regulatory basis, with effect from 1 January 2015, the scheme funding level is determined by the new Financial Assessment Framework (nFTK). The nFTK introduces, inter alia, a 12 month average funding ratio, higher buffer requirements and stricter indexation than under previous legislation, and a 10 year recovery plan in the event of funding shortfalls. In case of a shortfall in the funding level, the first recovery plans are required to be filed with the Dutch Central Bank on 1 July 2015. On a contractual basis, the employer contribution is capped at 11.9% of salary.

Total regular employer contributions to defined benefit pension schemes in respect of 2015 are expected to be approximately £65m.

The pension expense recognised within operating expense is:

	2014 £m	2013 £m
Defined benefit pension expense	**48**	14
Defined contribution pension expense	**47**	47
Total	**95**	61

The amounts recognised in the income statement in respect of defined benefit pension schemes during the year are presented by major schemes as follows:

	2014				2013			
	UK £m	**US £m**	**NL £m**	**Total £m**	UK £m	US £m	NL £m	Total £m
Service cost	**31**	**18**	**14**	**63**	29	29	15	73
Settlements and past service credits	**-**	**-**	**(15)**	**(15)**	-	(51)	(8)	(59)
Defined benefit pension expense	**31**	**18**	**(1)**	**48**	29	(22)	7	14
Net interest on net defined benefit obligations	**8**	**4**	**3**	**15**	6	9	4	19
Net defined benefit pension expense	**39**	**22**	**2**	**63**	35	(13)	11	33

Net interest on net defined benefit pension scheme liabilities is presented within net finance costs in the income statement. Service cost, including settlements and past service credits is presented within operating expenses.

Settlements and past service credits in 2014 relate to plan design changes and a reduction in accrued benefits in respect of the scheme in the Netherlands. Settlements and past service credits recognised in 2013 principally relate to plan design changes and the transfer out of certain deferred members in the US scheme and a reduction in accrued benefits in respect of the scheme in the Netherlands.

5. Pension schemes (continued)

The significant valuation assumptions, determined for each major scheme in conjunction with the respective independent actuaries are presented below. The net defined benefit pension expense for each year is based on the assumptions and scheme valuations set at 31 December of the prior year.

	2014			2013		
As at 31 December	**UK**	**US**	**NL**	UK	US	NL
Discount rate	**3.75%**	**4.25%**	**2.30%**	4.60%	5.05%	3.60%
Inflation	**2.90%**	**2.50%**	**2.00%**	3.25%	3.00%	2.00%

Discount rates are set by reference to high-quality corporate bond yields.

Mortality assumptions make allowance for future improvements in longevity and have been determined by reference to applicable mortality statistics. The average life expectancy assumptions are set out below:

	2014			2013		
Male average life expectancy (at 31 December)	**UK**	**US**	**NL**	UK	US	NL
Members currently aged 60 years	**90**	**87**	**86**	90	84	86
Members currently aged 45 years	**92**	**87**	**87**	92	83	87

	2014			2013		
Female average life expectancy (at 31 December)	**UK**	**US**	**NL**	UK	US	NL
Members currently aged 60 years	**89**	**89**	**89**	89	86	89
Members currently aged 45 years	**91**	**90**	**90**	91	85	89

5. Pension schemes (continued)

The amount recognised in the statement of financial position in respect of defined benefit pension schemes at the start and end of the year and the movements during the year were as follows:

	2014				2013			
	UK £m	**US £m**	**NL £m**	**Total £m**	UK £m	US £m	NL £m	Total £m
Defined benefit obligation								
At start of year	**(2,882)**	**(762)**	**(716)**	**(4,360)**	(2,654)	(922)	(696)	(4,272)
Service cost	**(31)**	**(18)**	**(14)**	**(63)**	(29)	(29)	(15)	(73)
Settlements and past service credits	**-**	**-**	**15**	**15**	-	51	8	59
Interest on pension scheme liabilities	**(130)**	**(39)**	**(25)**	**(194)**	(122)	(41)	(25)	(188)
Actuarial (loss)/gain on financial assumptions	**(339)**	**(107)**	**(120)**	**(566)**	(173)	86	18	(69)
Actuarial (loss)/gain arising from experience assumptions	**26**	**(3)**	**5**	**28**	8	(10)	(3)	(5)
Contributions by employees	**(7)**	**-**	**(5)**	**(12)**	(6)	-	(5)	(11)
Benefits paid*	**96**	**52**	**27**	**175**	94	93	19	206
Exchange translation differences	**-**	**(55)**	**55**	**-**	-	10	(17)	(7)
At end of year	**(3,267)**	**(932)**	**(778)**	**(4,977)**	(2,882)	(762)	(716)	(4,360)
Fair value of scheme assets								
At start of year	**2,691**	**676**	**614**	**3,981**	2,516	710	580	3,806
Interest income on plan assets	**122**	**35**	**22**	**179**	116	32	21	169
Return on scheme assets excluding amounts included in interest income	**110**	**72**	**90**	**272**	111	4	(1)	114
Contributions by employer	**36**	**31**	**9**	**76**	36	33	14	83
Contributions by employees	**7**	**-**	**5**	**12**	6	-	5	11
Benefits paid*	**(96)**	**(52)**	**(27)**	**(175)**	(94)	(93)	(19)	(206)
Exchange translation differences	**-**	**48**	**(48)**	**-**	-	(10)	14	4
At end of year	**2,870**	**810**	**665**	**4,345**	2,691	676	614	3,981
Net defined benefit obligation	**(397)**	**(122)**	**(113)**	**(632)**	(191)	(86)	(102)	(379)

* included in benefits paid are settlements of nil (2013: £52m).

As at 31 December 2014, the defined benefit obligations comprise £4,784m (2013: £4,200m) in relation to funded schemes and £193m (2013: £160m) in relation to unfunded schemes.

The weighted average duration of defined benefit scheme liabilities is 19 years in the UK (2013: 19 years), 15 years in the US (2013: 16 years) and 24 years in the Netherlands (2013: 21 years). Deferred tax assets of £161m (2013: £104m) are recognised in respect of the pension scheme deficits.

5. Pension schemes (continued)

Amounts recognised in the statement of comprehensive income are set out below:

	2014 £m	2013 £m
Gains and losses arising during the year:		
Experience gain/(losses) on scheme liabilities	**28**	(5)
Experience gains on scheme assets	**272**	114
Actuarial (losses)/gains arising on the present value of scheme liabilities due to changes in:		
- discount rates	**(773)**	78
- inflation	**159**	(171)
- other actuarial assumptions	**48**	24
	(266)	40
Net cumulative losses at start of year	**(475)**	(515)
Net cumulative losses at end of year	**(741)**	(475)

The major categories and fair values of scheme assets at the end of the reporting period are as follows:

	2014				2013			
Fair value of scheme assets	**UK £m**	**US £m**	**NL £m**	**Total £m**	UK £m	US £m	NL £m	Total £m
Equities	**1,260**	**263**	**226**	**1,749**	1,351	174	223	1,748
Government bonds	**1,249**	**70**	**261**	**1,580**	1,089	68	261	1,418
Corporate bonds	**-**	**455**	**143**	**598**	-	411	93	504
Property funds	**270**	**-**	**30**	**300**	147	-	34	181
Cash	**74**	**2**	**5**	**81**	87	4	3	94
Other	**17**	**20**	**-**	**37**	17	19	-	36
Total	**2,870**	**810**	**665**	**4,345**	2,691	676	614	3,981

The actual return on scheme assets for the year ended 31 December 2014 was £451m (2013: £283m).

Assets and obligations associated with the schemes are sensitive to changes in the market values of assets and the market-related assumptions used to value scheme liabilities. In particular, adverse changes to asset values, discount rates or inflation could increase future pension costs and funding requirements.

Typically RELX Group plc schemes are exposed to: investment risks, whereby actual rates of return on plan assets may be below those rates used to determine the defined benefit obligations and interest rate risks, whereby scheme deficits may increase if bond yields in the UK, the US and the Netherlands decline and are not offset by returns in government and corporate bond portfolios. The schemes are also exposed to other risks such as unanticipated future increases in: member mortality patterns; inflation; and future salaries, all potentially leading to an increase in scheme liabilities (particularly in the Netherlands which is the only major scheme which remains open to new members).

Investment policies of each scheme are intended to ensure continuous payment of defined pensions in the short-term and long-term. Efforts are made to limit risks on marketable securities by adopting investment policies that diversify assets across geographies and among equities, government and corporate bonds, property funds and cash. Asset allocations are dependent on a variety of factors including the duration of scheme liabilities and the statutory funded status of the plan.

All equities and government and corporate bonds have quoted prices in active markets.

5. Pension schemes (continued)

Sensitivity analysis

The valuation of the RELX Group plc group's pension scheme liabilities involves significant actuarial assumptions, being the life expectancy of the members, inflation and the rate at which the future pension payments are discounted. Differences arising from actual experience or future changes in assumptions may materially affect future pension charges. In particular, changes in assumptions for discount rates, inflation and life expectancies that are reasonably possible would have the following approximate effects on the defined benefit pension obligations:

	£m
Increase/decrease of 0.25% in discount rate	**233**
Increase/decrease of 0.25% in the expected inflation rate	**121**
Increase/decrease of one year in assumed life expectancy	**131**

The above analysis has been calculated on the same basis used to determine the defined benefit obligation recognised in the statement of financial position. There has been no change in the methods used to prepare the analysis compared with prior years. This sensitivity analysis may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in the above assumptions would occur in isolation of one another as some of the assumptions may be correlated.

6. Share based remuneration

The RELX Group plc group provides a number of share based remuneration schemes to Directors and employees. The principal share based remuneration schemes are the Executive Share Option Schemes (ESOS), the Long Term Incentive Plan (LTIP), the Reed Elsevier Growth Plan (REGP) (discontinued after 2014), the Retention Share Plan (RSP) and the Bonus Investment Plan (BIP). Share options granted under ESOS and LTIP 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 ESOS, LTIP, RSP and BIP are exercisable after three years for nil consideration if conditions are met. Conditional shares granted under REGP are exercisable for nil consideration if conditions are met after three and five years. Other awards principally relate to all employee share based saving schemes in the UK and the Netherlands.

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 2011 and 2014 are subject to the achievement of growth targets of Reed Elsevier PLC and Reed Elsevier NV adjusted earnings per share measured at constant exchange rates as well as the achievement of a targeted percentage return on invested capital of Reed Elsevier PLC and Reed Elsevier NV. LTIP grants between 2011 and 2014 and REGP grants in 2013 are also variable subject to the achievement of a total shareholder return performance target.

6. Share based remuneration (continued)

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 Directors' Remuneration Report on pages 28 to 41.

	In respect of Reed Elsevier PLC ordinary shares		In respect of Reed Elsevier NV ordinary shares	
	Number of shares '000	Weighted average fair value per award £	Number of shares '000	Weighted average fair value per award £
2014 grants				
Share options				
- ESOS	**1,221**	**0.98**	**863**	**1.13**
- Other	**1,064**	**1.31**	**314**	**0.90**
Total share options	**2,285**	**1.13**	**1,177**	**1.07**
Conditional shares				
- ESOS	**365**	**8.27**	**258**	**11.24**
- LTIP	**1,031**	**7.81**	**729**	**10.85**
- RSP	**131**	**9.90**	**94**	**14.18**
- BIP	**769**	**9.23**	**483**	**12.88**
Total conditional shares	**2,296**	**8.48**	**1,564**	**11.74**
2013 grants				
Share options				
- ESOS	1,521	1.12	1,058	1.52
- Other	645	1.29	257	1.10
Total share options	2,166	1.17	1,315	1.44
Conditional shares				
- ESOS	524	6.51	365	9.28
- LTIP	1,338	6.14	930	8.90
- RSP	10	7.35	7	10.65
- REGP	322	6.49	450	9.34
- BIP	987	7.40	615	10.69
Total conditional shares	3,181	6.63	2,367	9.51

6. Share based remuneration (continued)

The main assumptions used to determine the fair values, which have been established with advice from and data provided by independent actuaries, are set out below:

Assumptions for grants made during the year	In respect of Reed Elsevier PLC ordinary shares		In respect of Reed Elsevier NV ordinary shares	
	2014	2013	**2014**	2013
Weighted average share price at date of grant				
- ESOS	**£9.28**	£7.35	**€15.92**	€12.53
- LTIP	**£9.29**	£7.35	**€15.94**	€12.54
- RSP	**£9.90**	£7.35	**€17.50**	€12.53
- BIP	**£9.23**	£7.39	**€15.90**	€12.53
- REGP	**-**	£7.76	**-**	€13.15
- Other	**£8.86**	£7.45	**€15.63**	€11.89
Expected share price volatility	**19%**	28%	**19%**	28%
Expected option life	**4 years**	4 years	**4 years**	4 years
Expected dividend yield	**3.8%**	4.1%	**4.5%**	4.7%
Risk free interest rate	**1.5%**	0.5%	**0.6%**	0.4%
Expected lapse rate	**2-5%**	2-5%	**2-4%**	2-4%

Expected share price volatility has been estimated based on relevant historical data in respect of the Reed Elsevier PLC and Reed Elsevier NV ordinary share prices. Expected share option life has been estimated based on historical exercise patterns in respect of Reed Elsevier PLC and Reed Elsevier NV share options.

The share based remuneration awards outstanding as at 31 December 2014, in respect of both Reed Elsevier PLC and Reed Elsevier NV ordinary shares, are set out below:

Share Options	In respect of Reed Elsevier PLC ordinary shares		In respect of Reed Elsevier NV ordinary shares	
	Number of shares under option '000	Weighted average exercise price (pence)	Number of shares under option '000	Weighted average exercise price (€)
Outstanding at 1 January 2013	19,335	529	15,582	10.63
Granted	2,166	694	1,315	12.41
Exercised	(9,102)	542	(7,628)	10.72
Forfeited	(112)	535	(167)	11.30
Expired	(560)	537	(462)	11.30
Outstanding at 1 January 2014	**11,727**	**549**	**8,640**	**10.77**
Granted	**2,285**	**827**	**1,177**	**15.86**
Exercised	**(3,318)**	**520**	**(2,740)**	**11.13**
Forfeited	**(832)**	**514**	**(348)**	**10.28**
Expired	**(535)**	**577**	**(573)**	**10.28**
Outstanding at 31 December 2014	**9,327**	**629**	**6,156**	**11.66**
Exercisable at 31 December 2013	5,150	537	5,535	11.09
Exercisable at 31 December 2014	**3,163**	**550**	**3,480**	**11.11**

6. Share based remuneration (continued)

Conditional shares	In respect of Reed Elsevier PLC ordinary shares	In respect of Reed Elsevier NV ordinary shares
	Number of shares '000	Number of shares '000
Outstanding at 1 January 2013	11,812	6,706
Granted	3,181	2,367
Vested	(3,256)	(1,966)
Forfeited/lapsed	(1,395)	(923)
Outstanding at 1 January 2014	**10,342**	**6,184**
Granted	**2,296**	**1,564**
Vested	**(2,772)**	**(1,591)**
Forfeited/lapsed	**(1,236)**	**(622)**
Outstanding at 31 December 2014	**8,630**	**5,535**

6. Share based remuneration (continued)

The weighted average share price at the date of exercise of share options and vesting of conditional shares during 2014 was 885p (2013: 761p) for Reed Elsevier PLC ordinary shares and €15.03 (2013: €13.15) for Reed Elsevier NV ordinary shares.

Range of exercise prices for outstanding share options	2014 Number of shares under option '000	2014 Weighted average remaining period until expiry (years)	2013 Number of shares under option '000	2013 Weighted average remaining period until expiry (years)
Reed Elsevier PLC ordinary shares (pence)				
401-450	**834**	**1.6**	1,772	1.9
451-500	**451**	**5.4**	1,161	4.2
501-550	**3,184**	**5.5**	5,284	5.6
551-600	**576**	**2.8**	695	3.9
601-650	**788**	**2.8**	1,338	4.0
701-750	**2,301**	**6.3**	1,462	9.4
801-850	**10**	**8.6**	10	9.6
851-900	**2**	**8.9**	2	9.9
901-950	**1,088**	**9.3**	3	9.0
951-1000	**93**	**9.7**	-	-
Total	**9,327**	**5.4**	11,727	5.1
Reed Elsevier NV ordinary shares (euro)				
7.01-8.00	**24**	**4.0**	41	5.0
8.01-9.00	**1,024**	**5.7**	1,834	6.8
9.01-10.00	**1,459**	**6.4**	1,813	7.2
10.01-11.00	**60**	**2.8**	619	1.4
11.01-12.00	**587**	**1.6**	1,670	2.3
12.01-13.00	**1,424**	**6.5**	1,864	7.1
13.01-14.00	**87**	**3.7**	134	4.7
14.01-15.00	**406**	**3.0**	663	3.1
15.01-16.00	**976**	**9.2**	2	9.9
16.01-17.00	**15**	**9.0**	-	-
17.01-18.00	**94**	**9.5**	-	-
Total	**6,156**	**6.0**	8,640	5.4

Share options are expected, upon exercise, to be met principally by the issue of new ordinary shares but may also be met from shares held by the Employee Benefit Trust (EBT) (see note 16). Conditional shares will be met from shares held by the EBT.

7. Net finance costs

	2014 £m	2013 £m
Interest on short-term bank loans, overdrafts and commercial paper	**(9)**	(4)
Interest on term debt	**(115)**	(137)
Interest payable to Reed Elsevier NV	**(20)**	(16)
Interest payable to Reed Elsevier PLC	**(15)**	(10)
Interest payable to the Elsevier Reed Finance BV group	**(198)**	(251)
Interest on obligations under finance leases	**-**	(1)
Total borrowing costs	**(357)**	(419)
Losses on loans and derivatives not designated as hedges	**(7)**	(3)
Net financing charge on defined benefit pension schemes	**(15)**	(19)
Finance costs	**(379)**	(441)
Interest on bank deposits	**6**	4
Dividends received from Reed Elsevier NV	**1**	2
Finance income	**7**	6
Net finance costs	**(372)**	(435)

Finance costs include nil (2013: £2m) transferred from the hedge reserve.

8. Disposals and other items

	2014 £m	2013 £m
Revaluation of held for trading investments	**8**	5
Gain on disposal of businesses and assets held for sale	**91**	12
Net gain on disposals and other items	**99**	17

9. Taxation

	2014 £m	2013 £m
Current tax		
United Kingdom	**(33)**	(46)
The Netherlands	**(86)**	(77)
Rest of world	**(229)**	(215)
Total current tax charge	**(348)**	(338)
Deferred tax	**82**	247
Tax expense	**(266)**	(91)

The decrease in the UK current tax charge over the period reflects the reductions in the UK statutory rate of tax.

The net tax expense charged on profit before tax differs from the theoretical amount that would arise using the weighted average of tax rates applicable to accounting profits and losses of the consolidated entities, as follows:

	2014 £m	2013 £m
Profit before tax	**1,078**	918
Tax at average applicable rates	**(295)**	(260)
Tax on share of results of joint ventures	**21**	10
Expenses not deductible for tax purposes and US state taxes	**(10)**	(40)
Non-taxable costs of share based remuneration	**-**	3
Non-deductible disposal-related gains and losses	**(22)**	(22)
Tax losses of the period not recognised	**(4)**	(4)
Recognition and utilisation of tax losses that arose in prior years	**4**	9
Deferred tax credit on the alignment of business assets	**-**	195
Other adjustments in respect of prior periods	**40**	22
Deferred tax effect of changes in tax rates	**-**	(4)
Tax expense	**(266)**	(91)

The weighted average applicable tax rate for the year was 27% (2013: 28%). This decrease is caused by a change in the relative profitability of consolidated entities in the countries in which they operate.

9. Taxation (continued)

The following tax has been recognised directly in other comprehensive income or equity during the year:

	2014 £m	2013 £m
Tax on items that will not be reclassified to profit or loss		
Tax on actuarial movements on defined benefit pension schemes	**63**	(24)
Tax on items that may be reclassified to profit or loss		
Tax on fair value movements on cash flow hedges	**13**	(15)
Net tax credit/(debit) recognised in other comprehensive income	**76**	(39)
Tax credit on share based remuneration recognised directly in equity	**20**	20

10. Adjusted operating profit

The RELX Group plc group uses adjusted operating profit as an additional performance measure. Adjusted operating profit excludes amortisation of acquired intangible assets, acquisition-related costs and the share of taxes in joint ventures. Acquisition-related costs relate to acquisition integration, transaction related fees, and those elements of deferred and contingent consideration required to be expensed under IFRS. Adjusted operating profit is derived as follows:

	2014 £m	2013 £m
Operating profit	**1,351**	1,336
Adjustments:		
Amortisation of acquired intangible assets	**286**	319
Acquisition-related costs	**30**	43
Reclassification of tax in joint ventures	**21**	12
Adjusted operating profit	**1,688**	1,710

11. Statement of cash flows

Reconciliation of operating profit before joint ventures to cash generated from operations

	2014 £m	2013 £m
Operating profit before joint ventures	**1,315**	1,307
Amortisation of acquired intangible assets	**282**	318
Amortisation of internally developed intangible assets	**158**	160
Depreciation of property, plant and equipment	**79**	89
Share based remuneration	**32**	31
Total non-cash items	**551**	598
Decrease in inventories and pre-publication costs	**3**	10
(Increase)/decrease in receivables	**(66)**	2
Decrease in payables	**(4)**	(17)
Increase in working capital	**(67)**	(5)
Cash generated from operations	**1,799**	1,900

Cash flow on acquisitions

	Note	2014 £m	2013 £m
Purchase of businesses	12	**(340)**	(187)
Investment in joint ventures		**(15)**	(6)
Deferred payments relating to prior year acquisitions		**(34)**	(21)
Total		**(389)**	(214)

11. Statement of cash flows (continued)

Reconciliation of net borrowings

	Cash and cash equivalents £m	Borrowings £m	Related derivative financial instruments £m	Net borrowings from shareholders and fellow affiliates £m	2014 £m	2013 £m
At start of year	**74**	**(1,896)**	**19**	**(6,835)**	**(8,638)**	(9,496)
Increase/(decrease) in cash and cash equivalents	**129**	**-**	**-**	**-**	**129**	(500)
Net movement in short-term bank loans, overdrafts and commercial paper	**-**	**(99)**	**-**	**-**	**(99)**	(51)
Issuance of term debt	**-**	**(300)**	**-**	**-**	**(300)**	-
Repayment of term debt	**-**	**12**	**-**	**-**	**12**	322
Repayment of finance leases	**-**	**10**	**-**	**-**	**10**	10
Net movement in borrowings from shareholders and fellow affiliates	**-**	**-**	**-**	**156**	**156**	1,025
Change in net borrowings resulting from cash flows	**129**	**(377)**	**-**	**156**	**(92)**	806
Borrowings in acquired businesses	**-**	**(20)**	**-**	**-**	**(20)**	-
Inception of finance leases	**-**	**(3)**	**-**	**-**	**(3)**	(12)
Fair value and other adjustments to borrowings and related derivatives	**-**	**(9)**	**2**	**-**	**(7)**	(5)
Exchange translation differences	**15**	**(71)**	**(1)**	**(236)**	**(293)**	69
At end of year	**218**	**(2,376)**	**20**	**(6,915)**	**(9,053)**	(8,638)

Net borrowings comprise cash and cash equivalents, loan capital, finance leases, promissory notes, bank and other loans, and derivative financial instruments that are used to hedge certain borrowings.

12. Acquisitions

During the year a number of acquisitions were made for a total consideration of £349m (2013: £232m), after taking account of net cash acquired of £9m (2013: £14m). The net assets of the businesses acquired are incorporated at their fair value to the group. Provisional fair values of the consideration given and of the assets and liabilities acquired are summarised below:

	Fair value 2014 £m	Fair value 2013 £m
Goodwill	**240**	157
Intangible assets	**180**	126
Property, plant and equipment	**3**	-
Current assets	**21**	9
Current liabilities	**(39)**	(21)
Borrowings	**(20)**	-
Deferred tax	**(36)**	(39)
Net assets acquired	**349**	232
Consideration (after taking account of £9m (2013: £14m) net cash acquired)	**349**	232
Less: consideration deferred to future years	**(8)**	(36)
Less: acquisition date fair value of equity interest	**(1)**	(9)
Net cash flow	**340**	187

Goodwill, being the excess of the consideration over the net tangible and intangible assets acquired, represents benefits which do not qualify for recognition as intangible assets, including the ability of a business to generate higher returns than individual assets, skilled workforces and acquisition synergies that are specific to RELX Group plc. In addition, goodwill arises on the recognition of deferred tax liabilities in respect of intangible assets for which amortisation does not qualify for tax deductions.

The fair values of the assets and liabilities acquired are provisional pending the completion of the valuation exercises. Final fair values will be incorporated in the 2015 consolidated financial statements. There were no significant adjustments to the provisional fair values of prior year acquisitions established in 2013.

The businesses acquired in 2014 contributed £37m to revenue, increased adjusted operating profit by £7m, decreased net profit by £6m, and contributed a net cash inflow of £3m from operating activities for the part year under RELX Group plc ownership and before taking account of acquisition financing costs. Had the businesses been acquired at the beginning of the year, on a pro forma basis the RELX Group plc group revenues, adjusted operating profit and net profit attributable to equity shareholders for the year would have been £5,819m, £1,695m and £806m respectively before taking account of acquisition financing costs.

13. Equity dividends

	£ per share		£m	
	2014	2013	**2014**	2013
Dividends declared in the year				
Dividends declared by subsidiary undertakings to Reed Elsevier NV			**242**	-
Dividends declared by RELX Group plc				
Interim to "R" ordinary shareholders	**27,196**	-	**500**	-
Total			**742**	-

The dividends paid by subsidiary undertakings relate to Reed Elsevier NV's holding of shares carrying special dividend rights in Reed Elsevier Overseas BV. These shares do not carry any capital rights beyond the right to repayment of their nominal value.

The dividends to be paid by the company are regulated by the equalisation arrangements between Reed Elsevier PLC and Reed Elsevier NV, the company's shareholders. The arrangements have the effect of requiring dividends to be paid by the company according to the respective requirements of the shareholders to enable them to pay dividends on their ordinary shares on an equalised basis. Accordingly, the proportion in which dividends are paid on either class of share will vary from one dividend payment to another.

14. Goodwill

	2014 £m	2013 £m
At start of year	**4,608**	4,576
Acquisitions	**240**	157
Disposals/reclassified as held for sale	**(34)**	(46)
Exchange translation differences	**197**	(79)
At end of year	**5,011**	4,608

The carrying amount of goodwill is after cumulative amortisation of £1,106m (2013: £1,154m) which was charged prior to the adoption of IFRS and £9m (2013: £9m) of subsequent impairment charges recorded in prior years.

Impairment review

Impairment testing of goodwill and indefinite lived intangible assets is performed at least annually in accordance with the methodology described within critical judgements and key sources of estimation uncertainty on page 54. There were no charges for impairment of goodwill in 2014 (2013: nil).

Goodwill is compiled and assessed among groups of cash generating units (CGUs), which represent the lowest level at which goodwill is monitored by management. Typically, acquisitions are integrated into existing business units, and the goodwill arising is allocated to the groups of CGUs that are expected to benefit from the synergies of the acquisition. As the business areas have become increasingly integrated and globalised, management has reviewed the allocation of goodwill to groups of CGUs. In order to reflect the global leverage of assets, skills, knowledge and technology platforms, and consequential changes to the monitoring of goodwill by management, the number of groups of CGUs to which goodwill is allocated has been reduced from 25 in 2013 to 5 in 2014. Reducing the number of groups of CGUs had no impact on the carrying values of goodwill.

14. Goodwill (continued)

The carrying value of goodwill recorded in the groups of CGUs is set out below:

Goodwill	2014 £m	2013 £m
Scientific, Technical & Medical	**1,139**	1,083
Risk Solutions	**1,779**	1,604
Business Information	**480**	374
Legal	**1,199**	1,121
Exhibitions	**414**	426
Total	**5,011**	4,608

The key assumptions for each major group of CGUs are disclosed below:

Key Assumptions	Pre-tax discount rate	Nominal long-term market growth rate
Scientific, Technical & Medical	**10.4%**	3.0%
Risk Solutions	**11.5%**	3.0%
Business Information	**11.7%**	3.0%
Legal	**11.5%**	2.0%
Exhibitions	**11.7%**	3.0%

The pre-tax discount rates used are based on the RELX Group plc weighted average cost of capital, adjusted to reflect a risk premium specific to each business. Nominal long-term market growth rates, which are applied after the forecast period of up to five years, do not exceed the long-term average growth prospects for the sectors and territories in which the businesses operate.

A sensitivity analysis has been performed based on changes in key assumptions considered to be reasonably possible by management: an increase in the discount rate of 0.5%; a decrease in the compound annual growth rate for adjusted cash flow in the five-year forecast period of 2.0%; and a decrease in the nominal long-term market growth rates of 0.5%. The sensitivity analysis shows that no impairment charges would result from these scenarios.

15. Intangible assets

	Market and customer related £m	Content, software and other £m	Total acquired intangible assets £m	Internally developed intangible assets £m	Total £m
Cost					
At 1 January 2013	2,816	3,158	5,974	1,514	7,488
Acquisitions	42	84	126	-	126
Additions	-	-	-	251	251
Disposals/reclassified as held for sale	(55)	(216)	(271)	(27)	(298)
Exchange translation differences	(63)	(15)	(78)	(25)	(103)
At 1 January 2014	**2,740**	**3,011**	**5,751**	**1,713**	**7,464**
Acquisitions	**67**	**113**	**180**	**1**	**181**
Additions	-	-	-	**207**	**207**
Disposals/reclassified as held for sale	**(3)**	**(52)**	**(55)**	**(73)**	**(128)**
Exchange translation differences	**151**	**37**	**188**	**32**	**220**
At 31 December 2014	**2,955**	**3,109**	**6,064**	**1,880**	**7,944**
Accumulated amortisation					
At 1 January 2013	870	2,334	3,204	868	4,072
Charge for the year	178	140	318	160	478
Disposals/reclassified as held for sale	(54)	(216)	(270)	(22)	(292)
Exchange translation differences	(27)	(17)	(44)	(11)	(55)
At 1 January 2014	**967**	**2,241**	**3,208**	**995**	**4,203**
Charge for the year	**154**	**128**	**282**	**158**	**440**
Disposals/reclassified as held for sale	-	**(33)**	**(33)**	**(64)**	**(97)**
Exchange translation differences	**56**	**50**	**106**	**13**	**119**
At 31 December 2014	**1,177**	**2,386**	**3,563**	**1,102**	**4,665**
Net book amount					
At 31 December 2013	1,773	770	2,543	718	3,261
At 31 December 2014	**1,772**	**729**	**2,501**	**778**	**3,279**

Intangible assets acquired as part of business combinations comprise: market-related assets (e.g. trademarks, imprints, brands); customer-related assets (e.g. subscription bases, customer lists, customer relationships); and content, software and other intangible assets (e.g. editorial content, software and product delivery systems, other publishing rights, exhibition rights and supply contracts). Included in content, software and other acquired intangible assets are assets with a net book value of £265m (2013: £353m) that arose on acquisitions completed prior to the adoption of IFRS that have not been allocated to specific categories of intangible assets. Internally developed intangible assets typically comprise software and systems development where an identifiable asset is created that is expected to generate future economic benefits.

Included in market and customer-related intangible assets are £369m (2013: £347m) of brands and imprints relating to Scientific, Technical & Medical determined to have indefinite lives based on an assessment of their historical longevity and stable market positions. Indefinite lived intangibles are tested for impairment at least annually using the same value in use assumptions as set out in critical judgements and key sources of estimation uncertainty on page 54.

16. Investments

	2014 £m	2013 £m
Investments in joint ventures	**125**	125
Available for sale investments	**2**	2
Shares in Reed Elsevier NV and Reed Elsevier PLC	**170**	155
Venture capital investments held for trading	**110**	90
Total	**407**	372

At 31 December 2014, the RELX Group plc Employee Benefit Trust (EBT) held 8,032,643 (2013: 10,120,537) Reed Elsevier PLC ordinary shares and 5,337,782 (2013: 4,992,360) Reed Elsevier NV ordinary shares. The EBT purchases Reed Elsevier PLC and Reed Elsevier NV shares which, at the trustee's discretion, can be used in respect of the exercise of share options and to meet commitments under conditional share awards.

The value of shares in Reed Elsevier PLC and Reed Elsevier NV and of nil (2013: £12m) of venture capital investments held for trading has been determined by reference to quoted market prices. The value of other venture capital investments and available for sale investments has been determined by reference to other observable market inputs. Gains and losses included in the income statement are set out in note 8.

An analysis of changes in the carrying value of investments in joint ventures is set out below:

	2014 £m	2013 £m
At start of year	**125**	100
Share of results of joint ventures	**36**	29
Dividends received from joint ventures	**(44)**	(22)
Disposals and transfers	**(1)**	(3)
Additions	**15**	21
Exchange translation differences	**(6)**	-
At end of year	**125**	125

The principal joint ventures at 31 December 2014 are exhibition joint ventures within Exhibitions and Giuffrè and Martindale within Legal.

Summarised aggregate information in respect of joint ventures and RELX Group plc's share is set out below:

	Total joint ventures		RELX Group plc's share	
	2014 £m	2013 £m	2014 £m	2013 £m
Revenue	**284**	225	**153**	110
Net profit for the year	**69**	57	**36**	29
Total assets	**285**	246	**138**	117
Total liabilities	**(181)**	(134)	**(91)**	(64)
Net assets	**104**	112	**47**	53
Goodwill			**78**	72
Total			**125**	125

RELX Group plc's consolidated other comprehensive income includes nil (2013: nil) relating to joint ventures.

17. Property, plant and equipment

	2014			2013		
	Land and buildings £m	Fixtures and equipment £m	Total £m	Land and buildings £m	Fixtures and equipment £m	Total £m
Cost						
At start of year	210	556	766	218	534	752
Acquisitions	-	6	6	-	-	-
Capital expenditure	9	61	70	4	66	70
Disposals/reclassified as held for sale	(25)	(40)	(65)	(8)	(33)	(41)
Exchange translation differences	7	18	25	(4)	(11)	(15)
At end of year	201	601	802	210	556	766
Accumulated depreciation						
At start of year	117	413	530	116	373	489
Acquisitions	-	3	3	-	-	-
Disposals/reclassified as held for sale	(16)	(38)	(54)	(6)	(31)	(37)
Charge for the year	9	70	79	9	80	89
Exchange translation differences	4	13	17	(2)	(9)	(11)
At end of year	114	461	575	117	413	530
Net book amount	87	140	227	93	143	236

No depreciation is provided on freehold land of £14m (2013: £14m). The net book amount of property, plant and equipment at 31 December 2014 includes £13m (2013: £17m) in respect of assets held under finance leases relating to fixtures and equipment.

18. Financial instruments

Details of the objectives, policies and strategies pursued by the RELX Group plc group in relation to financial instruments and capital management are set out below. The main financial risks faced by the RELX Group plc group are liquidity risk, market risk - comprising interest rate risk and foreign exchange risk - and credit risk. Financial instruments are used to finance the group's businesses and to hedge interest rate and foreign exchange risks. The group's businesses do not enter into speculative derivative transactions. Details of financial instruments subject to liquidity, market and credit risks are described below.

Liquidity risk

The RELX Group plc group maintains a range of borrowing facilities and debt programmes to fund its requirements, at short notice and at competitive rates.

The balance of long-term debt, short-term debt and committed bank facilities is managed to provide security of funding, taking into account the cash generation cycle of the business and the uncertain size and timing of acquisition spend. To accommodate the significant free cash flow generated by RELX Group plc and to capitalise on an inexpensive source of funding, a meaningful portion of the overall debt portfolio is typically kept short term as long as there exists acceptable liquidity in the commercial paper markets and sufficient capacity under committed credit lines.

From time to time, based on cash flow and market conditions, RELX Group plc may redeem term debt early or repurchase outstanding debt in the open market. Debt is issued to meet the funding requirements of various jurisdictions and in the currency that is needed. It is recognised that debt can act as a natural translation hedge of earnings and net assets in currencies other than the reporting currencies. For this reason, a significant proportion of RELX Group plc's net debt has historically been denominated in US dollars, reflecting the size and importance of the US businesses.

There were no changes to RELX Group plc's long-term approach to capital and liquidity management during the year.

The remaining contractual maturities for borrowings and derivative financial instruments are shown in the table below. The table shows undiscounted principal and interest cash flows and includes contractual gross cash flows to be exchanged as part of cross currency interest rate swaps and forward foreign exchange contracts where there is a legal right of set-off.

		Contractual cash flow						
At 31 December 2014	Carrying amount £m	Within 1 year £m	1-2 years £m	2-3 years £m	3-4 years £m	4-5 years £m	More than 5 years £m	Total £m
Borrowings								
Fixed rate borrowings owing to:								
Third parties	(2,167)	(127)	(523)	(397)	(75)	(621)	(1,193)	(2,936)
Elsevier Reed Finance BV group	(5,387)	(1,188)	(1,316)	(1,380)	(918)	(137)	(1,258)	(6,197)
Floating rate borrowings owing to:								
Third parties	(209)	(209)	-	-	-	-	-	(209)
Elsevier Reed Finance BV group	(479)	(482)	-	-	-	-	-	(482)
Reed Elsevier NV	(689)	(689)	-	-	-	-	-	(689)
Reed Elsevier PLC	(1,319)	(1,319)	-	-	-	-	-	(1,319)
Reed Holding BV	(33)	(33)	-	-	-	-	-	(33)
Derivative financial liabilities								
Forward foreign exchange contracts	(45)	(554)	(474)	(150)	(58)	-	-	(1,236)
Derivative financial assets								
Interest rate derivatives	20	8	7	6	-	-	-	21
Forward foreign exchange contracts	57	564	474	150	62	-	-	1,250
Total	(10,251)	(4,029)	(1,832)	(1,771)	(989)	(758)	(2,451)	(11,830)

		Contractual cash flow						
At 31 December 2013	Carrying amount £m	Within 1 year £m	1-2 years £m	2-3 years £m	3-4 years £m	4-5 years £m	More than 5 years £m	Total £m
Borrowings								
Fixed rate borrowings owing to:								
Third parties	(1,808)	(117)	(113)	(510)	(385)	(64)	(1,429)	(2,618)
Elsevier Reed Finance BV group	(5,213)	(1,601)	(863)	(1,186)	(1,227)	(753)	(96)	(5,726)
Floating rate borrowings owing to:								
Third parties	(88)	(88)	-	-	-	-	-	(88)
Elsevier Reed Finance BV group	(338)	(116)	(230)	-	-	-	-	(346)
Reed Elsevier NV	(856)	(856)	-	-	-	-	-	(856)
Reed Elsevier PLC	(1,318)	(1,318)	-	-	-	-	-	(1,318)
Reed Holding BV	(7)	(7)	-	-	-	-	-	(7)
Derivative financial liabilities								
Forward foreign exchange contracts	(8)	(535)	(402)	(222)	-	-	-	(1,159)
Derivative financial assets								
Interest rate derivatives	19	8	7	4	1	-	-	20
Forward foreign exchange contracts	96	583	431	233	-	-	-	1,247
Total	(9,521)	(4,047)	(1,170)	(1,681)	(1,611)	(817)	(1,525)	(10,851)

18. Financial instruments (continued)

The carrying amount of derivative financial liabilities comprises £38m (2013: £8m) in relation to cash flow hedges and £7m (2013: nil) not designated as hedging instruments. The carrying amount of derivative financial assets comprises £20m (2013: £19m) in relation to fair value hedges, £54m (2013: £86m) in relation to cash flow hedges and £3m (2013: £10m) not designated as hedging instruments.

At 31 December 2014, the RELX Group plc group had access, along with other affiliated companies, to a $2,000m committed bank facility maturing in July 2019, which was undrawn.

All third party borrowings that mature within the next four years can be covered by committed bank facilities that back short term borrowings and by utilising available cash resources.

The RELX Group plc group also has borrowings from its affiliate Elsevier Finance SA totalling £5,866m (2013: £5,551m) of which 25% mature in the next year (2013: 28%); 19% in the second year (2013: 17%); 21% in the third year (2013: 19%); 16% in the fourth and fifth years (2013: 34%); and 19% in the sixth to tenth years (2013: 2%). RELX Group plc has net borrowings due within one year of £1,049m (2013: £1,284m) from the parent companies, Reed Elsevier PLC and Reed Elsevier NV, and other affiliated undertakings.

Market risk

The RELX Group plc group's primary market risks are to interest rate fluctuations and exchange rate movements. Derivatives are used to hedge or reduce the risks of interest rate and exchange rate movements and are not entered into unless such risks exist. Derivatives used by the group for hedging a particular risk are not specialised and are generally available from numerous sources. The impact of market risks on net post-employment benefit obligations and taxation is excluded from the following market risk sensitivity analysis.

Interest rate exposure management

RELX Group plc's interest rate exposure management policy aims to reduce the exposure of the consolidated businesses to changes in interest rates at efficient cost. To achieve this RELX Group plc uses fixed rate term debt, interest rate swaps, forward rate agreements and interest rate options. Interest rate derivatives are used only to hedge an underlying risk and no net market positions are held.

At 31 December 2014, 83% of gross borrowings were either fixed rate or had been fixed through the use of interest rate swaps, forward rate agreements and options, or were non-interest bearing. A 100 basis point reduction in interest rates would result in an estimated decrease in net finance costs of £13m (2013: £14m), based on the composition of financial instruments including cash, cash equivalents, balances with fellow joint ventures and RELX Group plc's shareholders, bank loans and commercial paper borrowings. A 100 basis point rise in interest rates would result in an estimated increase in net finance costs of £13m (2013: £14m).

The impact on net equity of a theoretical change in interest rates as at 31 December 2014 would be restricted to the change in carrying value of floating rate to fixed rate interest rate derivatives in a designated cash flow hedge relationship, and undesignated interest rate derivatives, of which there were none in RELX Group plc as at 31 December 2014. Therefore, there would be no change in net equity from a theoretical change in interest rates. The impact of a change in interest rates on the carrying value of fixed rate borrowings in a designated fair value hedge relationship would be offset by the change in carrying value of the related interest rate derivative. Fixed rate borrowings not in a designated hedging relationship are carried at amortised cost.

18. Financial instruments (continued)

Foreign currency exposure management
Translation exposures arise on the earnings and net assets of business operations in countries other than those of RELX Group plc. Some of these exposures are offset by denominating borrowings in US dollars. Currency exposures on transactions denominated in a foreign currency are generally hedged using forward contracts. In addition, recurring transactions and future investment exposures may be hedged, in advance of becoming contractual. The precise policy differs according to the specific circumstances of the individual businesses. Highly predictable future cash flows may be covered for transactions expected to occur during the next 24 months (50 months for the Scientific, Technical & Medical subscription businesses) within limits defined according to the period before the transaction is expected to become contractual. Cover takes the form of foreign exchange forward contracts.

As at 31 December 2014, the amount of outstanding foreign exchange cover against future transactions was £1.4bn (2013: £1.3bn).

A theoretical weakening of all currencies by 10% against sterling at 31 December 2014 would decrease the carrying value of net assets, excluding net borrowings, by £523m (2013: £501m). This would be more than offset by a decrease in net borrowings of £743m (2013: £744m). A strengthening of all currencies by 10% against sterling at 31 December 2014 would increase the carrying value of net assets, excluding net borrowings, by £523m (2013: £501m) and increase net borrowings by £743m (2013: £744m).

A retranslation of the group's net profit for the year assuming a 10% weakening of all foreign currencies against sterling but excluding transactional exposures would reduce net profit by £29m (2013: £67m). A 10% strengthening of all foreign currencies against sterling on this basis would increase net profit for the year by £29m (2013: £67m).

Credit risk
The RELX Group plc group seeks to limit interest rate and foreign exchange risks, as described above, by using financial instruments, and as a result has a credit risk from the potential non-performance by the counterparties to these financial instruments, which are unsecured. The amount of this credit risk is normally restricted to the amounts of any hedge gain and not the principal amount being hedged. The group also has a credit exposure to counterparties for the full principal amount of cash and cash equivalents. Credit risks are controlled by monitoring the credit quality of these counterparties, principally licensed commercial banks and investment banks with strong long-term credit ratings, and the amounts outstanding with each of them.

The RELX Group plc group has treasury policies in place which do not allow concentrations of risk with individual counterparties and do not allow significant treasury exposures with counterparties which are rated lower than A-/A3 by Standard & Poor's, Moody's and Fitch. At 31 December 2014, cash and cash equivalents totalled £218m, of which 96% was held with banks rated A-/A3 or better.

The RELX Group plc group also has credit risk with respect to trade receivables due from its customers that include national and state governments, academic institutions and large and small enterprises including law firms, book stores and wholesalers. The concentration of credit risk from trade receivables is limited due to the large and broad customer base. Trade receivable exposures are managed locally in the business units in which they arise. Where appropriate, business units seek to minimise this exposure by taking payment in advance and through management of credit terms. Allowance is made for bad and doubtful debts based on management's assessment of the risk, taking into account the ageing profile, experience and circumstance. The maximum exposure to credit risk is represented by the carrying amount of each financial asset, including derivative financial instruments, recorded in the statement of financial position.

Included within trade receivables are the following amounts which are past due but for which no allowance has been made. Past due up to one month £135m (2013: £156m); past due two to three months £66m (2013: £76m); past due four to six months £30m (2013: £26m); and past due greater than six months £7m (2013: £7m). Examples of trade receivables which are past due, but for which no allowance has been made, include those receivables where there is no concern over the creditworthiness of the customer and where the history of dealings with the customer indicate the amount will be settled.

Hedge accounting
The hedging relationships that are designated under IAS39 – Financial Instruments are described below:

Fair value hedges
The RELX Group plc group has entered into interest rate swaps to hedge the exposure to changes in the fair value of fixed rate borrowings due to interest rate and foreign currency movements which could affect the income statement.

18. Financial instruments (continued)

Interest rate derivatives with a principal amount of £300m (2013: £300m) were in place at 31 December 2014 swapping a fixed rate term debt issue denominated in sterling to floating rate sterling debt for the whole of its term.

The gains and losses on the borrowings and related derivatives designated as fair value hedges, which are included in the income statement, for the two years ended 31 December 2014, were as follows:

Gains/(losses) on borrowings and related derivatives	1 January 2013	Fair value movement gain/(loss)	**1 January 2014**	**Fair value movement gain/(loss)**	**31 December 2014**
	£m	£m	**£m**	**£m**	**£m**
GBP debt	(36)	17	**(19)**	**(1)**	**(20)**
Related interest rate swaps	36	(17)	**19**	**1**	**20**
Net gain	-	-	-	-	-

All fair value hedges were highly effective throughout the two years ended 31 December 2014.

Gross borrowings as at 31 December 2014 included £29m (2013: £30m) in relation to fair value adjustments to borrowings previously designated in a fair value hedge relationship which were de-designated in 2008. The related derivatives were closed out on de-designation with a cash inflow of £51m. £3m (2013: £3m) of these fair value adjustments were amortised in the year as a reduction to finance costs.

Cash flow hedges
The RELX Group plc group enters into two types of cash flow hedge:

1) Debt hedges comprising interest rate derivatives which fix the interest expense on a portion of forecast floating rate debt (including commercial paper, short-term bank loans and floating rate term debt).
2) Revenue hedges comprising forward foreign exchange contracts which fix the exchange rate on a portion of future foreign currency subscription revenues forecast by the Scientific, Technical & Medical businesses for up to 50 months.

Movements in the hedge reserve in 2013 and 2014, including gains and losses on cash flow hedging instruments, were as follows:

	Debt hedges	**Revenue hedges**	**Total hedge reserve pre-tax**
	£m	**£m**	**£m**
Hedge reserve at 1 January 2013: (losses)/gains deferred	(2)	37	35
Gains arising in 2013	-	64	64
Amounts recognised in income statement	2	(6)	(4)
Exchange translation differences	-	(1)	(1)
Hedge reserve at 1 January 2014: gains deferred	-	**94**	**94**
Losses arising in 2014	-	**(29)**	**(29)**
Amounts recognised in income statement	-	**(37)**	**(37)**
Exchange translation differences	-	**1**	**1**
Hedge reserve at 31 December 2014: gains deferred	-	**29**	**29**

All cash flow hedges were highly effective throughout the two years ended 31 December 2014.

A tax charge of £10m (2013: £22m) in respect of the above gains and losses at 31 December 2014 was also deferred in the hedge reserve.

18. Financial instruments (continued)

Of the amounts recognised in the income statement in the year, gains of £37m (2013: £6m) were recognised in revenue and losses of nil (2013: £2m) were recognised in finance costs. A tax charge of £9m (2013: £1m) was recognised in relation to these items.

The deferred gains and losses on cash flow hedges at 31 December 2014 are currently expected to be recognised in the income statement in future years as follows:

	Revenue hedges £m	Total hedge reserve pre-tax £m
2015	**24**	**24**
2016	**6**	**6**
2017	**(2)**	**(2)**
2018	**1**	**1**
2019	**-**	**-**
Gains deferred in hedge reserve at end of year	**29**	**29**

The cash flows for these hedges are expected to occur in line with the recognition of the gains and losses in the income statement, other than in respect of certain forward foreign exchange hedges on subscriptions, where cash flows may occur in advance of the subscription year.

19. Deferred tax

	2014 £m	2013 £m
Deferred tax assets	**722**	437
Deferred tax liabilities	**(1,372)**	(1,125)
Total	**(650)**	(688)

Movements in deferred tax liabilities and assets (before taking into consideration the offsetting of balances within the same jurisdiction) are summarised as follows:

	Deferred tax liabilities			Deferred tax assets				
	Excess of tax allowances over amortisation £m	Acquired intangible assets £m	Other temporary differences £m	Excess of amortisation over tax allowances £m	Tax losses carried forward £m	Pensions liabilities £m	Other temporary differences £m	Total £m
Deferred tax (liability)/asset at 1 January 2013	(223)	(802)	(100)	3	22	153	77	(870)
(Charge)/credit to profit	(138)	70	(105)	349	(8)	(26)	105	247
(Charge)/credit to equity/other comprehensive income	-	-	(6)	-	-	(24)	12	(18)
Acquisitions	-	(39)	-	-	-	-	-	(39)
Disposals/ reclassified as held for sale	(3)	(18)	(9)	-	-	-	-	(30)
Exchange translation differences	12	11	5	(8)	-	1	1	22
Deferred tax (liability)/asset at 1 January 2014	**(352)**	**(778)**	**(215)**	**344**	**14**	**104**	**195**	**(688)**
Credit/(charge) to profit	**17**	**74**	**(18)**	**(19)**	**5**	**(6)**	**29**	**82**
(Charge)/credit to equity/other comprehensive income	-	-	**(8)**	-	-	**63**	**15**	**70**
Acquisitions	-	**(53)**	-	-	**17**	-	-	**(36)**
Exchange translation differences	**(21)**	**(30)**	**10**	**(22)**	-	-	**(15)**	**(78)**
Deferred tax (liability)/asset at 31 December 2014	**(356)**	**(787)**	**(231)**	**303**	**36**	**161**	**224**	**(650)**

Other deferred tax liabilities include temporary differences in respect of plant, property and equipment, capitalised development spend and financial instruments. Other deferred tax assets include temporary differences in respect of share based remuneration, provisions and financial instruments.

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. Accordingly, no deferred tax asset has been recognised in respect of unused trading losses of approximately £80m (2013: £84m) carried forward at the year end. The deferred tax asset not recognised in respect of these losses is approximately £19m (2013: £20m). Of the unrecognised losses, £49m (2013: £56m) will expire if not utilised within 10 years, and £31m (2013: £28m) will expire after more than 10 years.

Deferred tax assets of approximately £13m (2013: £14m) have not been recognised in respect of tax losses and other temporary differences carried forward of £65m (2013: £69m) which can only be used to offset future capital gains.

20. Inventories and pre-publication costs

	2014 £m	2013 £m
Raw materials	**2**	3
Pre-publication costs	**91**	90
Finished goods	**45**	46
Total	**138**	139

21. Trade and other receivables

	2014 £m	2013 £m
Trade receivables	**1,352**	1,291
Allowance for doubtful debts	**(50)**	(57)
	1,302	1,234
Prepayments and accrued income	**171**	170
Total	**1,473**	1,404

Trade receivables are predominantly non-interest bearing and their carrying amounts approximate to their fair value.

Trade receivables are stated net of allowances for bad and doubtful debts. The movements in the provision during the year were as follows:

	2014 £m	2013 £m
At start of year	**57**	51
Charge for the year	**8**	17
Trade receivables written off	**(14)**	(11)
Exchange translation difference	**(1)**	-
At end of year	**50**	57

22. Trade and other payables

	2014 £m	2013 £m
Payables	**333**	328
Accruals	**457**	439
Social security and other taxes	**88**	88
Other payables	**275**	307
Deferred income	**1,452**	1,403
Total	**2,605**	2,565

Trade and other payables are predominantly non-interest bearing and their carrying amounts approximate to their fair value.

23. Borrowings

	2014			2013		
	Falling due within 1 year £m	**Falling due in more than 1 year £m**	**Total £m**	Falling due within 1 year £m	Falling due in more than 1 year £m	Total £m
Financial liabilities measured at amortised cost:						
Amounts owed to the Elsevier Reed Finance BV Group	**1,453**	**4,413**	**5,866**	1,531	4,020	5,551
Amounts owed to shareholders and other affiliates	**2,041**	-	**2,041**	2,181	-	2,181
Short-term bank loans, overdrafts and commercial paper	**209**	-	**209**	88	-	88
Term debt including finance leases	7	**1,492**	**1,499**	9	1,150	1,159
Term debt in fair value hedging relationships	-	**320**	**320**	-	319	319
Term debt previously in fair value hedging relationships	-	**348**	**348**	-	330	330
Total	**3,710**	**6,573**	**10,283**	3,809	5,819	9,628

In 2013, £186m principal amount of term debt maturing in 2019 was exchanged for £235m principal amount of term debt maturing in 2022 and cash. The exchange is treated as a debt modification for accounting purposes. The premium arising is offset against the carrying amount of the newly issued term debt maturing in 2022 and will be amortised over its life.

The.total fair value of financial liabilities measured at amortised cost is £10,283m (2013: £9,295m). The total fair value of term debt in fair value hedging relationships is £348m (2013: £355m). The total fair value of term debt previously in fair value hedging relationships is £443m (2013: £396m).

23. Borrowings (continued)

Analysis by year of repayment	Short-term bank loans, overdrafts and commercial paper £m	Term debt including finance leases £m	Amounts owed to Elsevier Reed Finance BV Group £m	Amounts owed to shareholders and other affiliates £m	Total £m
As at 31 December 2014					
Within 1 year	**209**	**7**	**1,453**	**2,041**	**3,710**
Within 1 to 2 years	-	**404**	**1,135**	-	**1,539**
Within 2 to 3 years	-	**321**	**1,249**	-	**1,570**
Within 3 to 4 years	-	-	**838**	-	**838**
Within 4 to 5 years	-	**557**	**69**	-	**626**
After 5 years	-	**878**	**1,122**	-	**2,000**
After 1 year	-	**2,160**	**4,413**	-	**6,573**
Total	**209**	**2,167**	**5,866**	**2,041**	**10,283**
As at 31 December 2013					
Within 1 year	88	9	1,531	2,181	3,809
Within 1 to 2 years	-	5	955	-	960
Within 2 to 3 years	-	402	1,076	-	1,478
Within 3 to 4 years	-	319	1,166	-	1,485
Within 4 to 5 years	-	-	739	-	739
After 5 years	-	1,073	84	-	1,157
After 1 year	-	1,799	4,020	-	5,819
Total	88	1,808	5,551	2,181	9,628

Short-term bank loans, overdrafts and commercial paper were backed up at 31 December 2014 by a \$2,000m (2013: \$2,000m) committed bank facility maturing in July 2019, which was undrawn.

Analysis by currency	Short-term bank loans, overdrafts and commercial paper £m	Term debt including finance leases £m	Amounts owed to Elsevier Reed Finance BV Group £m	Amounts owed to shareholders and other affiliates £m	Total £m
As at 31 December 2014					
US dollars	**123**	**1,147**	**5,281**	-	**6,414**
£ sterling	**69**	**1,020**	**51**	**1,319**	**2,458**
Euro	**15**	-	**463**	**722**	**1,200**
Other currencies	**2**	-	**71**	-	**211**
Total	**209**	**2,167**	**5,866**	**2,041**	**10,283**
As at 31 December 2013					
US dollars	19	1,089	4,998	-	6,106
£ sterling	27	719	8	1,318	2,072
Euro	36	-	486	863	1,385
Other currencies	6	-	59	-	65
Total	88	1,808	5,551	2,181	9,628

24. Lease arrangements

Finance leases

At 31 December 2014 future finance lease obligations fall due as follows:

	2014 £m	2013 £m
Within one year	7	9
In the second to fifth years inclusive	5	8
Total	**12**	17
Present value of future finance lease obligations payable:		
Within one year	7	9
In the second to fifth years inclusive	5	8
Total	**12**	17

The fair value of the lease obligations approximates to their carrying amount.

Operating leases

The RELX Group plc group leases various properties, principally offices and warehouses, which have varying terms and renewal rights that are typical to the territory in which they are located.

At 31 December 2014 outstanding commitments under non-cancellable operating leases fall due as follows:

	2014 £m	2013 £m
Within one year	96	103
In the second to fifth years inclusive	277	275
After five years	148	169
Total	**521**	547

Of the above outstanding commitments, £507m (2013: £528m) relate to land and buildings.

The RELX Group plc group has a number of properties that are sub-leased. The future lease receivables contracted with sub-tenants fall due as follows:

	2014 £m	2013 £m
Within one year	15	16
In the second to fifth years inclusive	46	43
After five years	21	25
Total	**82**	84

25. Provisions

	2014 £m	2013 £m
At start of year	133	169
Utilised	(16)	(35)
Exchange translation differences	6	(1)
Total	**123**	133

Provisions principally relate to leasehold properties, including sub-lease shortfalls and guarantees given in respect of certain property leases for various periods up to 2024.

At 31 December 2014, provisions are included within current and non-current liabilities as follows:

	2014 £m	2013 £m
Current liabilities	19	17
Non-current liabilities	104	116
Total	**123**	133

26. Contingent liabilities and capital commitments

The Company has accepted, in accordance with clause 403 Book 2 of the Dutch Civil Code, responsibilities for the liabilities, including trade creditors and external borrowings, totalling £87m (2013: £100m) of subsidiary undertakings registered in the Netherlands.

27. Other reserves

	Hedge reserve 2014 £m	Other reserves 2014 £m	Total 2014 £m	Total 2013 £m
At start of year	72	(4,615)	(4,543)	(5,480)
Profit attributable to parent companies' shareholders	-	807	807	822
Dividends paid	-	(742)	(742)	-
Actuarial (losses)/gains on defined benefit pension schemes	-	(266)	(266)	40
Fair value movements on available for sale investments	-	11	11	45
Fair value movements on cash flow hedges	(29)	-	(29)	64
Transfer to net profit from cash flow hedge reserve	(37)	-	(37)	(3)
Tax recognised in other comprehensive income	13	63	76	(39)
Increase in share based remuneration reserve (net of tax)	-	48	48	48
Settlement of share awards	-	(27)	(27)	(40)
Acquisition of non-controlling interest	-	(13)	(13)	-
At end of year	**19**	**(4,734)**	**(4,715)**	(4,543)

Other reserves principally comprise retained earnings and the share based remuneration reserve.

28. Related party transactions

The company is jointly owned and controlled by Reed Elsevier PLC and Reed Elsevier NV.

There were no material transactions during the year between the RELX Group plc group and its fellow joint ventures, other than those disclosed in these accounts.

As at 31 December 2014, the group's fellow joint ventures are Elsevier Reed Finance BV and its subsidiaries. Elsevier Reed Finance BV is incorporated in the Netherlands and jointly owned and controlled by Reed Elsevier PLC and Reed Elsevier NV. The Elsevier Reed Finance BV group provides a range of treasury services and funding to the RELX Group plc group.

Foreign exchange contracts entered into during 2014 by RELX Group plc and its subsidiaries with its fellow joint ventures amounted to £3,443m (2013: £1,582m).

Transactions between the RELX Group plc group's businesses have been eliminated within the consolidated financial statements. Transactions with joint ventures were made on normal market terms of trading and comprise sales of goods and services of nil (2013: £1m). As at 31 December 2014, amounts owed by joint ventures were £1m (2013: £7m) and amounts due to joint ventures were £6m (2013: £6m). Key management personnel are also related parties as defined by IAS24 – Related Party Disclosures and comprise the Executive Directors and Non-Executive Directors of RELX Group plc.

Key management personnel remuneration is set out below. The remuneration details of Executive Directors employed during 2014 are given in the Directors' remuneration Report single total remuneration table on page 31, with these details forming an integral part of the financial statements. For reporting purposes, salary, benefits and annual incentive payments are considered short-term employee benefits.

Key management personnel remuneration	**2014 £m**	2013 £m
Salaries, other short-term employee benefits and non-executive fees	**5**	4
Post employment benefits*	**1**	1
Share based remuneration**	**5**	4
Total	**11**	9

*Post employment benefits comprises the transfer value of the increase in the accrued pension during the year (net of inflation, Directors' contributions and participation fee) for defined benefit schemes and payments made to defined contribution schemes or in lieu of pension.

**The share based remuneration charge comprises the multi-year incentive scheme charges in accordance with IFRS2 – Share Based Payment. These IFRS2 charges do not reflect the actual value received on vesting.

The remuneration details of Non-Executive Directors are set out in the Remuneration Report on page 31, with these details forming an integral part of the financial statements. Termination benefits of £238,023 were paid to Directors during 2014 (2013: nil), further details are shown on page 28. No loans, advances or guarantees have been provided on behalf of any Director. The aggregate gain made by Executive Directors on the exercise of options during 2014 were £1,101,114 (2013: £2,526,305).

Details of Directors' remuneration are set out in the Directors' Remuneration Report on pages 28 to 41.

29. Subsequent events

On 25 February 2015 the company changed its name to RELX Group plc and acquired 100% of the share capital of Elsevier Reed Finance BV from Reed Elsevier PLC and Reed Elsevier NV for consideration of 31,613 ordinary voting shares to each. At the date of acquisition, the fair value of the identifiable net assets acquired was £6 billion. The results and net assets of Elsevier Reed Finance BV will be included in the consolidated results of RELX Group plc from the date of acquisition.

Following the acquisition of Elsevier Reed Finance BV, RELX Group plc's R and E shares (held by Reed Elsevier PLC and Reed Elsevier NV respectively) were converted into non-voting shares. Reed Elsevier PLC and Reed Elsevier NV continue to jointly own and control RELX Group plc, with each holding 50% of the voting shares on issue.

30. Approval of financial statements

The financial statements were approved and authorised for issue by the Board of Directors of RELX Group plc on 25 February 2015.

PARENT COMPANY FINANCIAL STATEMENTS
For the year ended 31 December 2014

PARENT COMPANY BALANCE SHEET
As at 31 December 2014

	2014 £m	2013 £m
Fixed assets		
Investments		
Shares in subsidiary undertakings		
Cost	**3,178**	3,152
Provided	**(4)**	(4)
Net book amount	**3,174**	3,148
Other investments	**116**	111
Joint ventures (cost and net book value)	**2**	2
	3,292	3,261
Current assets		
Amounts owed by Reed Elsevier PLC	**4**	4
Amounts owed by subsidiary undertakings	**477**	241
Tax	**40**	83
	521	328
Total assets	**3,813**	3,589
Creditors falling due within one year		
Amounts owed to subsidiary undertakings	**325**	325
	325	325
Net current assets	**196**	3
Net assets	**3,488**	3,264
Capital and reserves		
Called up share capital	**-**	-
Share premium account	**2,430**	2,430
Profit and loss reserves	**1,058**	834
Shareholders' funds	**3,488**	3,264

The financial statements of RELX Group plc, registered number 2746616, were approved by the Board of Directors and authorised for issue on 25 February 2015. They were signed on its behalf by:

N L Luff
Chief Financial Officer

PARENT COMPANY FINANCIAL STATEMENTS
For the year ended 31 December 2014

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
For the year ended 31 December 2014

	2014 £m	2013 £m
Profit/(loss) for the financial year	**224**	(18)
Total gains and losses relating to the year	**224**	(18)

PARENT COMPANY RECONCILIATION OF SHAREHOLDERS' FUNDS
For the year ended 31 December 2014

	Share capital £m	Share premium £m	Profit and loss reserve £m	Total £m
At 31 December 2013	-	2,430	852	3,282
Loss attributable to ordinary shareholders	-	-	(18)	(18)
At 1 January 2014	-	**2,430**	**834**	**3,264**
Profit attributable to ordinary shareholders	-	-	**224**	**224**
At 31 December 2014	-	**2,430**	**1,058**	**3,488**

PARENT COMPANY ACCOUNTING POLICIES

Basis of preparation

The parent company financial statements have been prepared under the historical cost convention in accordance with UK Generally Accepted Accounting Practice (UK GAAP). Unless otherwise indicated, all amounts in the financial statements are in millions of pounds.

As permitted by Section 408 of the Companies Act 2006, the company has not presented its own profit and loss account. The RELX Group plc accounting policies under UK GAAP are set out below and have been applied consistently in the current and prior year, excepted as described below.

Investments

Fixed asset investments are stated at cost, less provision, if appropriate, for any impairment in value. Other investments relate to ordinary shares of Reed Elsevier PLC and Reed Elsevier NV held by the EBT.

Principal joint ventures, and their subsidiaries are set out in the supplementary information page.

Foreign exchange translation

Transactions entered into in foreign currencies are recorded at the exchange rates applicable at the time of the transaction.

Taxation

Deferred taxation is provided in full for timing differences using the liability method. Deferred tax assets are only recognised to the extent that they are considered recoverable in the short term. Deferred taxation balances are not discounted.

SUPPLEMENTARY INFORMATION

Principal subsidiary undertakings at 31 December 2014*

Holding and Corporate Companies	
Reed Elsevier (UK) Limited (1)	
Reed Elsevier (Holdings) Ltd (2)	
Reed Elsevier (Investments) plc	
Reed Elsevier Holdings B.V.	(The Netherlands)
Reed Elsevier Nederland B.V.	(The Netherlands)
Reed Elsevier Overseas B.V.	(The Netherlands)
Reed Elsevier US Holdings Inc	(USA)
Reed Elsevier Inc (1)	(USA)
RELX Capital Inc	(USA)
Reed Elsevier Properties Inc	(USA)
Scientific, Technical & Medical	
Elsevier Limited	
Elsevier B.V.	(The Netherlands)
Elsevier Inc	(USA)
AGRM Solutions C.V.	(The Netherlands)
Risk & Business Information	
LexisNexis Risk Assets Inc.	(USA)
LexisNexis Risk Solutions FL Inc	(USA)
LexisNexis Risk Data Management Inc	(USA)
Reed Business Information Limited	
Legal	
LexisNexis (3)	
LexisNexis (4)	(USA)
Exhibitions	
Reed Exhibitions Limited	

All are wholly owned subsidiary undertakings registered and operating in England and Wales unless otherwise stated.

(1) Holding company, but also trades through one or more operating divisions
(2) Direct subsidiary undertaking of RELX Group plc
(3) Division of Reed Elsevier (UK) Limited
(4) Division of Reed Elsevier Inc

Principal joint ventures at 31 December 2014

Operating in		*Principal place of business*
Dott. A. Giuffrè Editore Spa	40%	Italy, Via Busto Arsizio, Milan
Martindale LLC	70%	USA

* A full list of the subsidiaries of RELX Group plc will be annexed to the next annual return pursuant to s410(3) of the Companies Act 2006.