Company Registration No. 05810043

RELX (INVESTMENTS) PLC

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2017

Company Registration No. 05810043

RELX (INVESTMENTS) PLC
ANNUAL REPORT AND FINANCIAL STATEMENTS 2017

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RELX (INVESTMENTS) PLC

OFFICERS AND PROFESSIONAL ADVISERS

Directors
N L Luff
H A Udow

Company Secretary
A W McCulloch

Registered Office
1-3 Strand
London
WC2N 5JR

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

RELX (INVESTMENTS) PLC

STRATEGIC REPORT

The directors present their Strategic Report for the year ended 31 December 2017.

PRINCIPAL ACTIVITY

The Company's principal activities are the funding of the activities of RELX Group plc. The Company's shares are not currently publicly traded. The directors do not anticipate any changes in activities in the foreseeable future. The Company was a wholly-owned subsidiary throughout the year and accordingly consolidated group financial statements have not been prepared.

BUSINESS REVIEW

The loss before tax for the year was £784,000 (2016: profit of £3,634,000). The total comprehensive loss for the year of £634,000 (2016: profit of £2,907,000), being the loss after taxation, has been taken to reserves. The change from the prior year, is primarily due to the reversal of mark-to-market gains in the value of interest rate derivatives which were recognised in 2016. Term debt of £300 million matured in 2017 (2016: £400 million), and was repaid using short term borrowings and available group resources. The decrease in net assets in the year is driven by the loss for the year.

During the year, the Company was sold by RELX (Holdings) Limited to RELX (UK) Limited.

KEY PERFORMANCE INDICATORS

The directors consider there to be no additional key performance indicators other than those on the primary financial statements.

FINANCIAL RISK MANAGEMENT

The Company is exposed to financial risk through its financial assets and liabilities. The key financial risks are credit risk and liquidity risk. Interest rate risk is mitigated by issuing borrowings at fixed rates of interest, or, where borrowings have been swapped to floating rates through the use of interest rate derivatives, by lending to fellow subsidiary undertakings at floating rates of interest.

Credit risk is principally attributable to amounts owed by parent and fellow subsidiary undertakings, and is not considered to be significant. Liquidity risk is likewise not considered to be significant as the Company's borrowings are largely matched by amounts receivable from those other RELX Group companies.

The Strategic Report has been approved by the Board.

By Order of the Board
1-3 Strand
London WC2N 5JR

A W McCulloch
Company Secretary
18 June 2018

RELX (INVESTMENTS) PLC

DIRECTORS' REPORT

The directors present their annual report on the affairs of the Company together with the audited financial statements and supporting notes for the year ended 31 December 2017.

The Company has prepared financial statements in accordance with s396 of the Companies Act 2006.

Dividends

No dividends were paid during the year (2016: nil).

Going concern

The directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis in preparing the annual financial statements.

Further details regarding the adoption of the going concern basis can be found in the statement of accounting policies in the financial statements.

Directors

The directors who served during the year and those holding office are shown on page 1.

During the year directors' indemnity insurance has been taken out by the Company on the director's behalf and remains in force at the date of this report.

Auditor

In accordance with Section 418 of the Companies Act 2006, each Director in office at the date the Directors' Report is approved confirms that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

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

Pursuant to s485 of the Companies Act 2006 the auditor is deemed to be reappointed and Ernst & Young LLP will therefore continue in office.

By Order of the Board

1-3 Strand
London WC2N 5JR

A W McCulloch
Company Secretary
18 June 2018

RELX (INVESTMENTS) PLC

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the Strategic Report, Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice *"Reduced Disclosure Framework"*, (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the Company will continue in business. More detail is given in note 1 to the financial statements.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF RELX (INVESTMENTS) PLC

Opinion

We have audited the financial statements of RELX (Investments) plc for the year ended 31 December 2017 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and the related notes 1 to 14, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the company's affairs as at 31 December 2017 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report below. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Overview of our audit approach

Key audit matters	• Measurement of finance income and costs
Materiality	• Overall materiality of £2.46m which represents 4% of Equity.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in our opinion thereon, and we do not provide a separate opinion on these matters.

Risk	Our response to the risk	Key observations communicated to the Board of Directors
Measurement of finance income and costs Accounting policies (page 14, 15 and 16); and Note 4 and 6 of the Financial Statements (page 15 and 16) The Company has listed debt which is loaned to the UK subsidiary companies via intercompany arrangements. There is higher inherent risk that finance cost on servicing the intercompany debt and the finance income received from subsidiaries are not measured correctly.	We performed substantive testing of the finance income and costs as follows: - We have obtained the borrowings schedule and have recalculated the expected balance of the financial assets and financial instruments at the year end. - We obtained third party confirmations of the value of external borrowing at the year end and have confirmed that the entity have applied the effective interest method of accounting. - We have recalculated the current year interest charge and interest receivable from other group undertakings. - We performed searches for related party transactions as well as any unusual transactions.	The related financial instruments intercompany loans, finance income and costs have been appropriately accounted for in line with Company accounting policy.

An overview of the scope of our audit

Tailoring the scope

Our assessment of audit risk, our evaluation of materiality and our allocation of performance materiality determine our audit scope for the company. This enables us to form an opinion on the financial statements. We take into account size, risk profile, the organisation of the company and effectiveness of controls, including controls and changes in the business environment when assessing the level of work to be performed. All audit work was performed directly by the audit engagement team.

Changes from the prior year

There were no changes in scope from the prior year.

Our application of materiality

We apply the concept of materiality in planning and performing the audit, in evaluating the effect of identified misstatements on the audit and in forming our audit opinion.

Materiality

The magnitude of an omission or misstatement that, individually or in the aggregate, could reasonably be expected to influence the economic decisions of the users of the financial statements. Materiality provides a basis for determining the nature and extent of our audit procedures.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF RELX (INVESTMENTS) PLC (continued)

We determined materiality for the company to be £2.46 million (2016: £2.48 million), which is 4% (2016: 4%) of Equity. The principal activity of the company continues to be maintaining funding of the activities of RELX Group plc.

During the course of our audit, we reassessed initial materiality and there was no change in our final materiality from our original assessment at planning.

Performance materiality
The application of materiality at the individual account or balance level. It is set at an amount to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality.

On the basis of our risk assessments, together with our assessment of the company's overall control environment, our judgement was that performance materiality was 75% (2016: 50%) of our planning materiality, namely £1.845m (2016: £1.243m). We have set performance materiality at this percentage due to no audit adjustments identified in the prior year.

Reporting threshold
An amount below which identified misstatements are considered as being clearly trivial.

We agreed with the Board that we would report to them all uncorrected audit differences in excess of £0.123m (2016: £0.124m), which is set at 5% of planning materiality, as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds.

We evaluate any uncorrected misstatements against both the quantitative measures of materiality discussed above and in light of other relevant qualitative considerations in forming our opinion.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and directors' reports have been prepared in accordance with applicable legal requirements.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF RELX (INVESTMENTS) PLC (continued)

Matters on which we are required to report by exception

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

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

The objectives of our audit, in respect to fraud, are; to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses; and to respond appropriately to fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant are, HMRC Taxation regulation, Bribery Act 2010, Employment Laws, Money Laundering regulations 2007, Data Protection Act 1998, Competition Act and the Companies Act 2006.
- We understood how RELX (Investments) plc is complying with those frameworks by the oversight of those charged with governance.
- We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur by performing a review of Entity Level Controls and regular discussions with those charged with governance.
- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved substantive audit procedures of all significant accounts, review for unusual and unexpected items, enquiries of those charged with governance and written representation obtained from those charged with governance.

A further description of our responsibilities for the audit of the financial statements is located on the

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

Other matters we are required to address

- We were appointed by the company on 19 July 2017 to audit the financial statements for the year ending 31 December 2017 and subsequent financial periods.
- The period of total uninterrupted engagement including previous renewals and reappointments is two years, covering the years ending 31 December 2016 to 31 December 2017.
- The non-audit services prohibited by the FRC's Ethical Standard were not provided to the company and we remain independent of the company in conducting the audit.

Use of our report

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

Ernst & Young LLP

Michael Rudberg (Senior Statutory Auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
London, United Kingdom
18/6/2018

RELX (INVESTMENTS) PLC

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2017

	Note	2017 £'000	2016 £'000
Administrative expenses		**(31)**	(30)
Operating loss		**(31)**	(30)
Finance income	4	**24,887**	48,309
Finance costs	4	**(25,640)**	(44,645)
Net finance (costs)/income		**(753)**	3,664
(Loss)/profit before tax		**(784)**	3,634
Tax credit/(expense)	5	**150**	(727)
(Loss)/profit for the year	11	**(634)**	2,907
Other comprehensive income for the year		**-**	-
Total comprehensive (loss)/income for the year		**(634)**	2,907

All results relate to continuing operations.

The notes on pages 13 to 19 form part of these financial statements.

RELX (INVESTMENTS) PLC

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2017

	Note	2017 £'000	2016 £'000
Current assets			
Derivative financial instruments	6	**941**	**11,272**
Trade and other receivables	7	**618,385**	**849,266**
Cash and cash equivalents		**40**	**3**
Total assets		**619,366**	**860,541**
Current liabilities			
Trade and other payables	8	**(4,320)**	**(6,175)**
Borrowings	9	**(254,457)**	**(493,730)**
		(258,777)	**(499,905)**
Non-current liabilities			
Borrowings	9	**(299,072)**	**(298,485)**
Total liabilities		**(557,849)**	**(798,390)**
Net assets		**61,517**	**62,151**
Capital and reserves			
Called up share capital	10	**50**	50
Share premium	10	**50,000**	50,000
Other reserves	11	**11,467**	12,101
Total equity		**61,517**	62,151

The notes on pages 13 to 19 form part of these financial statements.

The financial statements of RELX (Investments) plc, registered number 05810043, were approved by the Board of Directors and authorised for issue on 18 June 2018. They were signed on its behalf by:

Mull

N L Luff

Director

RELX (INVESTMENTS) PLC

STATEMENT OF CHANGES IN EQUITY

AS AT 31 DECEMBER 2017

	Note	Called up share capital £'000	Share premium £'000	Other reserves £'000	Total equity £'000
Balance at 1 January 2016		50	50,000	9,194	59,244
Total comprehensive income for the year		-	-	2,907	2,907
Balance at 1 January 2017		**50**	**50,000**	**12,101**	**62,151**
Total comprehensive loss for the year	11	**-**	**-**	**(634)**	**(634)**
Balance at 31 December 2017		**50**	**50,000**	**11,467**	**61,517**

1. Accounting policies

Basis of preparation

RELX (Investments) plc (the "Company") is a company incorporated in England and Wales under the Companies Act. The address of the registered office is given on page 1.

The Company meets the definition of a qualifying entity under Financial Reporting Standard (FRS) 100 issued by the Financial Reporting Council (FRC). Accordingly, for the year ended 31 December 2017 these financial statements were prepared in accordance with FRS 101 (Financial Reporting Standard 101) '*Reduced Disclosure Framework*' issued by the FRC, incorporating the amendments to company law made by The Companies, Partnerships and Groups (Accounts and Reports) Regulations 2015 and in so doing has applied the requirements of International Financial Reporting Standards (IFRS) 1.6-33 and related appendices.

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

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

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

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement purposes in these financial statements is determined on such a basis.

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

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

1. Accounting policies (continued)

The principal accounting policies adopted are set out below.

Going concern

This entity principally provides funding for the activities of RELX Group plc for which management has assessed the relevant factors surrounding going concern and concludes that there are no material events or uncertainties that may cast significant doubt about the ability of the Company to continue as a going concern. Accordingly, the directors continue to adopt the going concern basis in preparing the annual report and financial statements.

Taxation

Tax is charged or credited in the income statement except to the extent that the tax arises from a transaction or event which is recognised, in the same or a different period, outside the income statement (either in other comprehensive income, directly in equity, or through a business combination) in which case the tax appears in the same statement as the transaction that gave rise to it.

Current tax is the amount of corporate income taxes payable or recoverable based on the profit for the period as adjusted for items that are not taxable or not deductible, and is calculated using tax rates and laws that were enacted or substantively enacted at the date of the statement of financial position. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. Provisions are established where appropriate on the basis of amounts expected to be paid to the tax authorities.

Financial instruments

Financial instruments comprise trade receivables, cash and cash equivalents, payables and accruals, borrowings and derivative financial instruments.

Trade receivables are carried in the statement of financial position at invoiced value less allowance for estimated irrecoverable amounts. Irrecoverable amounts are estimated based on the ageing of trade receivables, experience and circumstance.

Borrowings and payables are recorded initially at fair value and subsequently carried at amortised cost (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 risk. 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 Statement of Comprehensive Income within finance costs. The offsetting gains or losses from remeasuring the fair value of the related derivatives are also recognised in the Statement of Comprehensive Income 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 Statement of Comprehensive Income 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 IFRS 13 - *Fair Value Measurement* - fair value hierarchy.

RELX (INVESTMENTS) PLC

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2017

1. Accounting policies (continued)

Interest receivable and interest payable

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

Borrowing costs

Debt issuance costs are charged to the Statement of Comprehensive Income over the life of the related borrowings so as to produce a constant periodic rate of charge.

Standards and amendments effective for the year

The interpretations and amendments to IFRS effective for 2017 have not had a significant impact on the accounting policies or reporting.

2. Information regarding directors and employees

The directors received no emoluments (2016: nil) in respect of their services to the Company. The Company has no employees (2016: nil).

3. Auditor's remuneration

The auditor's remuneration for the audit of the Company's annual financial statements was £5,610 (2016: £5,500) and was borne and not recharged by another group company for the current and preceding year.

4. Net finance income

	2017 £'000	2016 £'000
Interest receivable:		
On amounts due from parent company	**21,619**	46,464
On amounts due from fellow subsidiary undertakings	**3,101**	-
Fair value gains on borrowings and derivatives not designated as hedges	**-**	1,845
Foreign exchange gains	**167**	-
Finance income	**24,887**	48,309
Interest payable and similar charges:		
On borrowings repayable within 5 years not by instalments	**21,933**	41,710
Guarantee fees payable to RELX PLC	**883**	1,347
Guarantee fees payable to RELX NV	**883**	1,347
Fair value losses on borrowings and derivatives not designated as hedges	**1,892**	-
Foreign exchange losses	**49**	241
Finance costs	**25,640**	44,645
Net finance (costs)/income	**(753)**	3,664

RELX (INVESTMENTS) PLC

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2017

5. Taxation

	2017 £'000	2016 £'000
Current tax	**150**	727

The rate of UK corporation tax for the year is 19.25% (2016: 20%). Set out below is a reconciliation of the difference between tax expense for the year and the theoretical expense calculated by multiplying accounting profit by the applicable tax rate.

	2017 £'000	2016 £'000
(Loss)/profit on ordinary activities before taxation	**(784)**	3,634
Expected tax credit/(expense) at 19.25% (2016: 20%)	**150**	(727)
Tax credit/(expense)	**150**	(727)

Factors that may affect future tax charges

The standard rate of Corporation Tax in the UK changed from 20% to 19% with effect from 1 April 2017. Accordingly, the company's profits for the accounting period at taxed at 19.25%.

As this company does not have any deferred tax balances, there is no impact from the enacted corporation tax rate reductions to the financial position.

6. Financial instruments

Hedge accounting

The hedging relationships that are designated under IAS 39 – *Financial Instruments: Recognition & Measurement* are described below:

Fair value hedges

The Company has entered into interest rate swaps to hedge the exposure to changes in the fair value of fixed rate borrowings due to interest rate movements which could affect the Statement of Comprehensive Income.

Interest rate derivatives with a principal amount of £300 million were in place at 31 December 2016 swapping a fixed rate term debt issue to floating rate debt for the whole of its term (see note 9). This term debt issue and the related interest rate derivatives matured in December 2017. The term debt and the derivatives were previously designated in a fair value hedging relationship and were de-designated during 2016.

The gains and losses until the date of de-designation on the borrowings and related derivatives designated as fair value hedges, that are included in the Statement of Comprehensive Income, for the two years ended 31 December 2017 were as follows:

Gains/(losses) on borrowings and related derivatives	1 January 2016 £'000	De-designated £'000	**1 January and 31 December 2017 £'000**
Debt	(13,715)	13,715	-
Related interest rate swaps	13,763	(13,763)	-
	48	(48)	-

All fair value hedges were highly effective throughout the period to the date of de-designation.

6. Financial instruments (continued)

Borrowings at 31 December 2017 included nil (2016: £6,344,000) in relation to fair value adjustments to the borrowings previously designated in the fair value hedging relationship which were de-designated during 2016 and which matured in December 2017. £6,344,000 (2016: £7,371,000) of these fair value adjustments were amortised in the year as a reduction to finance costs. The related derivatives also matured in December 2017 and therefore had a carrying value at 31 December 2017 of nil (2016: £8,237,000).

7. Trade and other receivables

	2017 £'000	2016 £'000
Amounts owed by parent company	**222,273**	849,147
Amounts owed by fellow subsidiary undertakings	**395,787**	-
Prepayments and accrued income	**175**	119
Corporation tax	**150**	-
	618,385	849,266

The amounts owed by parent and fellow subsidiary undertakings vary over the course of each year based on their funding needs. Interest is charged on these balances at a blended rate based on the Company's own funding costs, taking into account the composition of its borrowings which comprise long term debt and commercial paper borrowings.

For the year ended 31 December 2017 the blended interest rates were in a range from 2.1% to 3.7% (2016: 2.6% to 4.8%)

8. Trade and other payables

	2017 £'000	2016 £'000
Amounts owed to RELX NV	**883**	1,347
Interest payable on borrowings	**3,437**	4,101
Corporation tax	**-**	727
	4,320	6,175

9. Borrowings

	2017			2016		
	Falling due within 1 year £'000	**Falling due in more than 1 year £'000**	**Total £'000**	Falling due within 1 year £'000	Falling due in more than 1 year £'000	Total £'000
Financial liabilities measured at amortised cost:						
Short-term bank loans, overdrafts and commercial paper	**254,457**	**-**	**254,457**	187,957	-	187,957
Term debt	**-**	**299,072**	**299,072**	-	298,485	298,485
Term debt previously in fair value hedging relationships	**-**	**-**	**-**	305,773	-	305,773
Total	**254,457**	**299,072**	**553,529**	493,730	298,485	792,215

9. Borrowings (continued)

The total fair value of borrowings measured at amortised cost is £309 million (2016: £314 million). The total fair value of borrowings previously in fair value hedging relationships is nil (2016: £318 million).

Short-term bank loans, overdrafts and commercial paper were backed up at 31 December 2017 by a $2,000 million (£1,479 million) committed bank facility maturing in July 2020, which was undrawn. The Company had access to this facility along with other affiliated companies.

The Company's term debt borrowings comprise the following:

	2017 £'000	2016 £'000
7.000% Public Notes 2017 – previously in fair value hedging relationships	-	305,773
2.750% Public Notes 2019 – measured at amortised cost	**299,072**	298,485
	299,072	604,258

10. Called up share capital and share premium

Called up share capital	Authorised Number	Authorised £	Called up, issued and fully paid Number	Called up, issued and fully paid £
Ordinary shares of £1 each				
At 31 December 2017 and 2016	50,000	50,000	50,000	50,000

Share premium	2017 £'000	2016 £'000
At 1 January and 31 December	**50,000**	50,000

11. Other reserves

	Profit and loss account £'000
At 1 January 2016	9,194
Profit for the financial year	2,907
At 1 January 2017	12,101
Loss for the financial year	(634)
At 31 December 2017	**11,467**

12. Consolidated group financial statements

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

13. Ultimate parent company

The Company's immediate parent company is RELX (UK) Limited, a company incorporated in England and Wales. The Company's ultimate and controlling entity is RELX Group plc, a company incorporated in England and Wales. The smallest and largest group into which the financial statements of the Company for the year ended 31 December 2017 are consolidated is RELX Group plc. Copies of the consolidated financial statements of RELX Group plc may be obtained from its registered office at 1-3 Strand, London, WC2N 5JR, United Kingdom. RELX Group plc is jointly owned by RELX PLC (a company incorporated in England & Wales) and RELX NV (a company incorporated in the Netherlands).

14. Related party transactions

The Company has taken advantage of the exemption under the terms of FRS 101 paragraph 8(k) from disclosing related party transactions with entities that are wholly owned subsidiaries of RELX Group plc. There were no other related party transactions in the current or prior year.