

Company Registration No. 10837437

RELX FINANCE LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2018



RELX FINANCE LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS 2018

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RELX FINANCE LIMITED
OFFICERS AND PROFESSIONAL ADVISERS

Appointed

Directors

A W McCulloch

H A Udow

N L Luff

S M Perry

31 January 2019

31 January 2019

Company Secretary

A W McCulloch

Registered Office

1-3 Strand

London

WC2N 5JR

United Kingdom

Auditor

Ernst & Young LLP

1 More London Place

London

SE1 2AF

United Kingdom

RELX FINANCE LIMITED
STRATEGIC REPORT

The directors present their strategic report for the year ended 31 December 2018.

PRINCIPAL ACTIVITY

The Company's principal activities are the funding of the activities of certain RELX companies. The directors anticipate that the Company will become the principal treasury centre for RELX during 2019, and its funding and other activities will therefore expand. As part of this, in March 2019 RELX Group plc gifted to the Company a \$5,650 million portfolio of loan receivables due from RELX Group plc's indirect US subsidiary RELX Inc. This increased the assets and reserves of the Company by \$5,650 million.

The company was a wholly-owned subsidiary throughout the year.

BUSINESS REVIEW

The loss before tax for the period was \$24,160,000 (period ended 2017: \$99,000 profit). The loss resulted from a waiver of \$34,804,000 of the remaining part of an intercompany loan made in 2017 to a fellow group company, following an internal restructure of the funding of the assets to which the intercompany loan related. The total comprehensive loss for the period of \$26,183,000 (period ended 2017: \$80,000 profit), being the loss after taxation, has been taken from reserves.

During 2018, the Company issued share capital and share premium of \$500,000,000. Subsequently, the Company undertook a share capital reduction of \$400,000,000 and proposed and paid a dividend of \$370,000,000 (2017: nil).

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 is credit risk. Following the additional contribution of capital from the Company's parent company during 2018, the Company has no borrowings and therefore does not have any significant exposure to interest rate risk or liquidity risk.

Credit risk is principally attributable to amounts owed by fellow group undertakings, and is mitigated by the Company having processes in place to review and consider the creditworthiness of the borrowing companies on an ongoing basis.

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
31/05/ 2019

RELX FINANCE LIMITED
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 2018.

Dividends

During 2018, the Company issued share capital and share premium of \$500,000,000. Subsequently, the Company undertook a share capital reduction of \$400,000,000 and proposed and paid a dividend of \$370,000,000 (2017: 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 period and those holding office are shown on page 1.

During the period 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.

This directors' report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

By Order of the Board

1-3 Strand
London WC2N 5JR



A W McCulloch
Company Secretary
31/05/2019

RELX FINANCE LIMITED
DIRECTORS' RESPONSIBILITIES STATEMENT

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

Company law requires the directors to prepare financial statements for each financial period. Under that law, the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice including FRS 101 "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 FINANCE LIMITED**

Opinion

We have audited the financial statements of RELX Finance Limited (the 'company') for the year ended 31 December 2018 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity, and 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 2018 and of its loss for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

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

Conclusion relating to going concern

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

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

Other information

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

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

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

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
RELX FINANCE LIMITED (continued)**

Opinion on other matter 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 directors' report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the 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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemptions in preparing the directors' report.

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.

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.

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.



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

31 MAY 2019

RELX FINANCE LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2018

		Year ended 31 December 2018 \$'000	Period ended 31 December 2017 \$'000
	Note		
Waiver of loan to fellow group undertaking		(34,804)	-
Operating loss	4	(34,804)	-
Finance income	5	13,631	6,127
Finance costs	5	(2,987)	(6,028)
Net finance income		10,644	99
(Loss)/profit before tax		(24,160)	99
Tax expense	6	(2,023)	(19)
(Loss)/profit for the period		(26,183)	80
Other comprehensive (loss)/profit for the period		-	-
Total comprehensive (loss)/profit for the period		(26,183)	80

All results relate to continuing operations.

The notes on pages 10 to 14 form part of these financial statements.

RELX FINANCE LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2018

	Note	2018 \$'000	2017 \$'000
Current assets			
Derivative financial instruments	7	-	6,444
Trade and other receivables	8	107,231	528,917
Total assets		<u>107,231</u>	<u>535,361</u>
Current liabilities			
Derivative financial instruments	7	1,292	-
Trade and other payables	9	2,042	535,281
Total liabilities		<u>3,334</u>	<u>535,281</u>
Net assets		<u>103,897</u>	<u>80</u>
Capital and reserves			
Called up share capital	10	10	-
Share premium	10	99,990	-
Other reserves	11	3,897	80
Total equity		<u>103,897</u>	<u>80</u>

The notes on pages 10 to 14 form part of these financial statements.

The financial statements have been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

The financial statements of RELX Finance Limited, registered number 10837437, were approved by the Board of Directors and authorised for issue on 31/05/2019. They were signed on its behalf by:



N L Luff

Director

RELX FINANCE LIMITED
STATEMENT OF CHANGES IN EQUITY
AS AT 31 DECEMBER 2018

	Note	Called up share capital \$'000	Share premium \$'000	Other reserves \$'000	Total equity \$'000
Balance at 27 June 2017		-	-	-	-
Total comprehensive income for the period	11	-	-	80	80
Balance at 1 January 2018		-	-	80	80
Total comprehensive loss for the period	11	-	-	(26,183)	(26,183)
Issue of new share capital	10	499,990	-	-	500,000
Capital reduction		-	(400,000)	400,000	-
Dividend paid		-	-	(370,000)	(370,000)
Balance at 31 December 2018		10	99,990	3,897	103,897

RELX FINANCE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

1. Accounting policies

Basis of preparation

RELX Finance Limited (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 period ended 31 December 2018 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 US dollars and all values are rounded to the nearest thousand dollars (\$’000) except when otherwise indicated.

Where applicable, comparative figures have been provided from the date of incorporation 27 June to 31 December 2017.

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. The group financial statements of RELX are available to the public and can be obtained as set out in note 12.

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.

The principal accounting policies adopted are set out below.

Going concern

This entity principally provides funding for the activities of RELX 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.

RELX FINANCE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

1. Accounting policies (continued)

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, payables and accruals, borrowings and derivative financial instruments.

Trade receivables are carried in the statement of financial position at invoiced value less lifetime expected credit losses.

Borrowings and payables are recorded initially at fair value and subsequently carried at amortised cost.

Derivative financial instruments are used to hedge foreign exchange risks. These are recorded in the statement of financial position at fair value, with changes in fair value recognised in the statement of comprehensive income.

The fair values of forward foreign exchange contracts represent the replacement costs calculated using observable market rates of interest and exchange. These instruments are accordingly classified as Level 2 in the IFRS 13 - *Fair Value Measurement* - fair value hierarchy.

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 period

The interpretations and amendments to IFRS effective for 2018 have not had a significant impact on the accounting policies or reporting.

2. Information regarding directors and employees

The directors received no emoluments in respect of their services to the Company. The Company has no employees.

3. Auditor's remuneration

The auditor's remuneration for the audit of the Company's annual financial statements was \$5,044 (2017: \$4,708) and was borne and not recharged by another group company for the current period.

RELX FINANCE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

4. Operating loss

	2018 \$'000	Period ended 31 December 2017 \$'000
Waiver of loan to fellow group undertaking	<u>(34,804)</u>	<u>-</u>

5. Net finance income

	2018 \$'000	Period ended 31 December 2017 \$'000
Interest receivable:		
On amounts due from fellow group undertakings	<u>13,631</u>	<u>6,127</u>
Finance income	<u>13,631</u>	<u>6,127</u>
Interest payable and similar charges:		
On amounts due to fellow group undertakings	(1,290)	(4,194)
Net foreign exchange losses on loans and derivatives not designated as hedges	(5)	(36)
Interest expense on derivatives not designated as hedges	<u>(1,692)</u>	<u>(1,798)</u>
Finance costs	<u>(2,987)</u>	<u>(6,028)</u>
Net finance income	<u>10,644</u>	<u>99</u>

6. Taxation

	2018 \$'000	Period ended 31 December 2017 \$'000
Current tax	<u>(2,023)</u>	<u>(19)</u>

The rate of UK corporation tax for the period is 19% (2017: 19.25%). Set out below is a reconciliation of the difference between tax expense for the period and the theoretical expense calculated by multiplying accounting profit by the applicable tax rate.

	2018 \$'000	Period ended 31 December 2017 \$'000
(Loss)/profit on ordinary activities before taxation	<u>(24,160)</u>	<u>99</u>
Expected tax charge at 19% (2017: 19.25%)	4,590	(19)
Debt waiver of intercompany loan	<u>(6,613)</u>	<u>-</u>
Tax expense	<u>(2,023)</u>	<u>(19)</u>

Factors that may affect future tax charges

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.

RELX FINANCE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

7. Financial instruments

The Company uses foreign exchange forward contracts to hedge the cash flow exposure arising on borrowings from or amounts lent to an affiliate company denominated in currencies other than the US dollar. The fair value of the outstanding contracts at 31 December 2018 was a liability of \$1,292,000 (2017: asset of \$6,444,000).

The adoption of IFRS 9 *Financial Instruments* in 2018 causes no material impact to the financial assets and liabilities held given the nature of the company.

8. Trade and other receivables

	2018 \$'000	2017 \$'000
Amounts owed by fellow group undertakings	107,231	528,917
	<u>107,231</u>	<u>528,917</u>

The amounts owed by fellow group 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, including, in the prior period, the cost of its borrowings from an affiliate company.

For the period ended 31 December 2018 the blended interest rates were in a range from 1.1% to 5.2% (2017: 4.55%).

9. Trade and other payables

	2018 \$'000	2017 \$'000
Amounts owed to fellow group undertakings	-	535,262
Corporation tax	2,042	19
	<u>2,042</u>	<u>535,281</u>

Amounts owed to fellow group undertakings in the prior period comprised the Company's funding provided by an affiliate company. Interest was payable on these balances at a rate set by the affiliate company. During 2018, this funding was replaced by a capital contribution from the Company's parent company.

10. Called up share capital and share premium

Called up share capital	Authorised Number	\$	Called up, issued and fully paid Number	\$
<u>Ordinary shares of \$1 each</u>				
At 1 January 2018	1	1	1	1
Share capital issued	10,000	10,000	10,000	10,000
	<u>10,001</u>	<u>10,001</u>	<u>10,001</u>	<u>10,001</u>
Share premium				2018 \$'000
At 1 January				-
Share capital issued				499,990
Capital reduction				<u>(400,000)</u>
At 31 December				<u>99,990</u>

RELX FINANCE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

11. Other reserves

	Profit and loss account \$'000
At 27 June 2017	-
Profit for the period	80
	<hr/>
At 31 December 2017	80
Loss for the period	(26,183)
Capital reduction	400,000
Dividend paid	(370,000)
	<hr/>
At 31 December 2018	3,897
	<hr/>

12. 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 parent company is RELX PLC, a company incorporated in England and Wales. The smallest and largest group into which the financial statements of the Company for the period ended 31 December 2018 are consolidated is RELX PLC. Copies of the consolidated financial statements of RELX PLC may be obtained from its registered office at 1-3 Strand, London, WC2N 5JR, United Kingdom.

13. 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 PLC. There were no other related party transactions in the current or prior period.

14. Post balance sheet event

On 21 March 2019, RELX Group plc gifted to the Company a \$5,650 million portfolio of loan receivables due from RELX Group plc's indirect US subsidiary RELX Inc. This increased the assets and reserves of the Company by \$5,650 million.