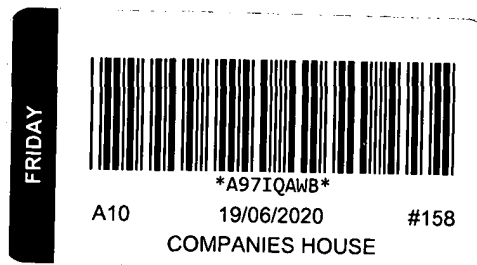


Company Registration No. 10837437

RELX FINANCE LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019



RELX FINANCE LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS 2019

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RELX FINANCE LIMITED
OFFICERS AND PROFESSIONAL ADVISERS

Directors	<i>Appointed</i>	<i>Resigned</i>
H A Udow		
N L Luff	31 January 2019	
S M Perry	31 January 2019	
S J Pereira	1 August 2019	
A W McCulloch		30 August 2019
Company Secretary		
S J Pereira	1 August 2019	
A W McCulloch		30 August 2019
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 2019.

PRINCIPAL ACTIVITY

RELX Finance Limited (the "Company") is the principal treasury centre for RELX, having taken over this function from an affiliate company with effect from 1 October 2019. Its principal activities, which are all performed exclusively for other companies in the RELX group, are the funding of the activities of certain group companies, the operation of cash pooling arrangements in certain jurisdictions, the provision of centralised foreign exchange dealing services and the operation of the group's intercompany netting and settlement system.

The company was a wholly-owned subsidiary of its immediate parent, RELX (UK) Limited throughout the year.

BUSINESS REVIEW

	2019 \$'000	2018 \$'000
Operating loss	(756)	(34,804)
Profit/(loss) for the year	211,854	(26,183)
Total equity	5,965,751	103,897

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

On 1 October 2019, in connection with becoming the principal treasury centre for RELX as of that date, the Company acquired from RELX Group plc a portfolio of long-term loan receivables, short-term intercompany balances and derivative contracts in exchange for cash consideration of \$1,407 million.

KEY PERFORMANCE INDICATORS

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

PRINCIPAL RISKS AND UNCERTAINTIES

The Company's Directors monitor the overall risk profile of the Company. In addition, the Directors are responsible for determining clear policies as to what the Company considers to be acceptable levels of risk. These policies seek to enable people throughout the Company to use their expertise to identify risks that could undermine performance and to devise ways of bringing them to within acceptable levels. Where the Directors identify risks that are not acceptable, they develop action plans to mitigate them with clear allocation of responsibilities and timescales for completion and ensure that progress towards implementing these plans is monitored and reported upon.

FINANCIAL RISK MANAGEMENT

The Company is exposed to financial risk through its financial assets and liabilities. The key financial risks are credit risk and foreign exchange rate risk. The Company has no external 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. Foreign exchange rate risk is principally attributable to intercompany balances, particularly loan principal and interest receivables, denominated in currencies other than the Company's functional currency. This is mitigated by the constant monitoring of net foreign exchange exposures and the use of foreign exchange forward contracts to hedge those exposures in accordance with strict treasury policies.

COVID-19

The COVID-19 pandemic has not had a significant impact on the activities of the company.

The Strategic Report has been approved by the Board.

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



S J Pereira
Company Secretary
2 June 2020

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 2019.

Going concern

The Company has net current assets of \$967,255,000 and therefore the Directors of RELX Finance Limited have assessed that there is no material uncertainty surrounding the going concern of the entity. Thus they continue to adopt the going concern basis in preparing the annual financial statements.

Management has assessed the relevant factors surrounding going concern, including the sufficiency of committed bank facilities available to other companies in the RELX group that back up the group's short-term borrowings, 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 of RELX Finance Limited have continued to adopt the going concern basis in preparing the annual report and financial statements. The Directors of RELX Finance Limited are of the view that COVID-19 does not impact the Company's ability to continue as a going concern. The company does not carry out any trading activities, has no employees and is in a net asset position as at 31 December 2019. As such the impact of COVID-19 is limited to the recoverability of the assets it holds, being receivables from RELX group companies which continue to be recoverable in full.

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

Financial instruments

The Company is exposed to currency, credit and interest rate risk. The Group's treasury function manages these risks at a Group level in accordance with Group Treasury Policy including the use of financial instruments for the purpose of managing these risks. Group risks are discussed in the Group's Annual Report, which does not form part of this report.

Dividends

No dividends were paid during 2019 (2018: \$370,000,000).

Future developments

The Company intends to continue operating as the principal treasury centre for the RELX group.

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 directors' 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



S J Pereira
Company Secretary
2 June 2020

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 2019 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity, and related notes 1 to 17, 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 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

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

Emphasis of matter: Disclosures in respect of COVID-19

We draw attention to Note 1 of the financial statements, which describes the economic and social consequences the company is facing as a result of COVID-19 which may impact consumer demand and financial markets. Our opinion is not modified in respect of this matter.

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.

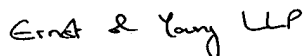
Auditor's responsibilities for the audit of the financial statements

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.



Jonathan Gill (Senior Statutory Auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
London, United Kingdom
2 June 2020

RELX FINANCE LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2019

	Note	Year ended 31 December 2019 \$'000	Year ended 31 December 2018 \$'000
Operating expenses		(756)	(34,804)
Operating loss	4	<u>(756)</u>	<u>(34,804)</u>
Finance income	5	264,018	13,631
Finance costs	5	(1,714)	(2,987)
Net finance income		<u>262,304</u>	<u>10,644</u>
Profit/(loss) before tax		<u>261,548</u>	<u>(24,160)</u>
Tax expense	6	(49,694)	(2,023)
Profit/(loss) for the year		<u><u>211,854</u></u>	<u><u>(26,183)</u></u>
Other comprehensive income for the year		-	-
Total comprehensive income/(loss) for the year		<u><u>211,854</u></u>	<u><u>(26,183)</u></u>

The operating loss is all derived from continuing operations.

The accompanying notes to the financial statements are an integral part of the Company's financial statements.

RELX FINANCE LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2019

	Note	2019 \$'000	2018 \$'000
Non-current assets			
Amounts owed by fellow group undertakings	7	4,998,496	-
		<u>4,998,496</u>	<u>-</u>
Current assets			
Amounts owed by fellow group undertakings	7	2,532,383	107,231
Derivative financial instruments	9	11,665	-
Other receivables	10	69,466	-
		<u>2,613,514</u>	<u>107,231</u>
Total assets		<u>7,612,010</u>	<u>107,231</u>
Current liabilities			
Borrowings		6,591	-
Amounts owed to fellow group undertakings	8	1,568,645	-
Derivative financial instruments	9	17,562	1,292
Trade and other payables	11	53,461	2,042
		<u>1,646,259</u>	<u>3,334</u>
Total liabilities		<u>1,646,259</u>	<u>3,334</u>
Net current assets		<u>967,255</u>	<u>103,897</u>
Net assets		<u><u>5,965,751</u></u>	<u><u>103,897</u></u>
Capital and reserves			
Called up share capital	12	10	10
Share premium	13	99,990	99,990
Other reserves	14	5,200,000	-
Retained earnings	15	665,751	3,897
		<u>5,965,751</u>	<u>3,897</u>
Total equity		<u><u>5,965,751</u></u>	<u><u>103,897</u></u>

The accompanying notes to the financial statements are an integral part of the Company's financial statements.

The financial statements of RELX Finance Limited, registered number 10837437, were approved by the Board of Directors and authorised for issue on 2 June 2020. They were signed on its behalf by:



N L Luff
Director

RELX FINANCE LIMITED
STATEMENT OF CHANGES IN EQUITY
AS AT 31 DECEMBER 2019

	Note	Called up share capital \$'000	Share premium \$'000	Other reserves \$'000	Retained earnings \$'000	Total equity \$'000
Balance at 1 January 2018		-	-	-	80	80
Total comprehensive loss for the year	15	-	-	-	(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
Total comprehensive income for the year	15	-	-	-	211,854	211,854
Gift of loan portfolio		-	-	5,650,000	-	5,650,000
Transfer on repayment of loans		-	-	(450,000)	450,000	-
Balance at 31 December 2019		10	99,990	5,200,000	665,751	5,965,751

The accompanying notes to the financial statements are an integral part of the Company's financial statements.

RELX FINANCE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

1. Significant 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's financial statements are presented in US dollars and all values are rounded to the nearest thousand dollars (\$'000) except when otherwise indicated.

These financial statements are individual accounts that have been 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.

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 PLC.

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

The Company's business activities, together with the factors likely to affect its future development and position, are set out in its strategic report.

The Company principally provides treasury services and funding for the activities of RELX for which management has assessed the relevant factors surrounding going concern, including the sufficiency of committed bank facilities available to other companies in the RELX group that back up the group's short-term borrowings, 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 of RELX Finance Limited have continued to adopt the going concern basis in preparing the annual report and financial statements.

The Directors of RELX Finance Limited are of the view that COVID-19 does not impact the Company's ability to continue as a going concern. The company does not carry out any trading activities, has no employees and is in a net asset position as at 31 December 2019. As such the impact of COVID-19 is limited to the recoverability of the assets it holds, being receivables from RELX group companies which continue to be recoverable in full.

Foreign currencies

Transactions denominated in currencies other than the Company's functional currency are translated into the Company's functional currency at the exchange rates prevailing at the date of the transactions. Monetary assets and liabilities denominated in currencies other than the Company's functional currency at the year-end are translated at the exchange rate ruling at that date. Non-monetary assets and liabilities that are measured at historical cost and are denominated in currencies other than the Company's functional currency are translated using the exchange rates at the date of the transaction. Non-monetary items that are measured at fair value and are denominated in currencies other than the Company's functional currency are translated using the exchange rates at the date when the fair value was determined. Exchange gains and losses are recognised in the income statement.

RELX FINANCE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

1. Significant accounting policies (continued)

Operating loss

Operating loss is stated after charging net operating expenses but before finance income/ costs.

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.

Cash and cash equivalent

Cash and bank balances comprise cash in hand and short-term deposits with maturities of three months or less from the date of acquisition. Bank overdrafts are shown within borrowings in current liabilities on the balance sheet.

Financial Instruments

Financial assets and financial liabilities are recognised in the Company's statement of financial position when the Company becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets

All financial assets are recognised and derecognised on a trade date where the purchase or sale of a financial asset is under a contract whose terms require delivery of the financial asset within the timeframe established by the market concerned, and are initially measured at fair value, plus transaction costs, except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments.

Loans and receivables

Trade receivables, loans, and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

Impairment of financial assets

Financial assets are assessed for indicators of impairment at each balance sheet date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

For financial assets carried at amortised cost, the amount of the impairment is the differences between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

Derecognition of financial assets

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have

RELX FINANCE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

1. Significant accounting policies (continued)

Financial instruments (continued)

to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss.

On derecognition of a financial asset other than in its entirety (e.g. when the Company retains an option to repurchase part of a transferred asset), the Company allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or loss. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

Financial liabilities and equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

Financial liabilities

Financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs.

Financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Derivative financial instruments

The Company enters into a variety of derivative financial instruments to manage its exposure to interest rate and foreign exchange rate risk, including foreign exchange forward contracts, interest rate swaps and cross currency swaps.

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at each balance sheet date. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

A derivative with a positive fair value is recognised as a financial asset whereas a derivative with a negative fair value is recognised as a financial liability. A derivative is presented as a current asset due after one year or a creditor due after more than one year if the remaining maturity of the instrument is more than 12 months and it is not expected to be realised or settled within 12 months. Other derivatives are presented as current assets or current liabilities.

Interest receivable and interest payable

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

Standards and amendments effective for the period

The interpretations and amendments to IFRS effective for 2019 have not had a significant impact on the accounting policies or reporting.

2. Information regarding directors and employees

No emoluments are payable to the Directors for their services to the Company in the current or preceding financial periods.

There were no employees during the year (2018: nil).

3. Auditor's remuneration

The auditor's remuneration for the audit of the Company's annual financial statements was \$4,984 (2018: \$5,044) and was borne and not recharged by another group company for the current year.

RELX FINANCE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

4. Operating loss

	2019 \$'000	2018 \$'000
Operating income	1,403	-
Operating expenses	(2,159)	-
Waiver of loan to fellow group undertaking	-	(34,804)
	(756)	(34,804)
	(756)	(34,804)

5. Net finance income

	2019 \$'000	2018 \$'000
Interest receivable and similar income:		
On amounts due from fellow group undertakings	259,806	13,631
Gains on derivatives not designated as hedges	4,205	-
Interest on bank deposits	7	-
Finance income	264,018	13,631
Interest payable and similar charges:		
On amounts due to fellow group undertakings	(1,085)	(1,290)
Losses on derivatives not designated as hedges	(565)	(1,692)
Interest on bank overdrafts	(45)	-
Net foreign exchange loss	(19)	(5)
Finance costs	(1,714)	(2,987)
	262,304	10,644

6. Taxation

	2019 \$'000	2018 \$'000
Current tax on profits for the year	(49,694)	(2,023)
	(49,694)	(2,023)

Corporation tax is calculated at 19% (2018: 19%) of the estimated taxable profit for the year.

The tax charge for the year can be reconciled to the profit/(loss) in the income statement as follows:

	2019 \$'000	2018 \$'000
Profit/(loss) on ordinary activities before taxation	261,548	(24,160)
Tax on profit at standard UK tax rate of 19.00% (2018: 19.00%)	(49,694)	4,590
Effects of:		
Debt waiver of intercompany loan	-	(6,613)
Tax charge for the year	(49,694)	(2,023)
	(49,694)	(2,023)

Factors that may affect future tax charges

The standard rate of Corporation Tax in the UK was 19% with effect from 1 April 2017. A further reduction to the Corporation Tax rate from 19% to 17% with effect from 1 April 2020 was enacted in September 2016, accordingly deferred tax assets and liabilities have been recognised at this rate. However, it was announced in March 2020 that the corporation tax rate will remain at 19% instead of reducing to 17%. It is expected that this will be enacted as part of the next Finance Act.

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7. Amounts owed by fellow group undertakings

The Company provides term loans and short-term funding to fellow group undertakings on commercial market terms. On 21 March 2019, RELX Group plc gifted the Company a \$5,650 million portfolio of term loans from RELX Inc, and on 1 October 2019, the Company acquired from RELX Group plc an additional portfolio of term loans and short-term receivables.

Where term loans and short-term balances are denominated in currencies other than US dollars, the functional currency of the Company, the material future receipts in connection with the receivable balances are hedged back to US dollars using foreign exchange forward contracts (see note 9).

Movements in the portfolio of term loans during the period (excluding accrued interest) were as follows:

	2019 \$'000	2018 \$'000
At the start of the year	-	-
Gift of loan portfolio	5,650,000	-
Loan portfolio acquired	400,864	-
New loans advanced	129,311	-
Loans repaid	(511,139)	-
Amortisation of fair value adjustment on novation	(2,678)	-
Exchange translation differences	13,233	-
	<u>5,679,591</u>	<u>-</u>
At the end of the year		
Current receivables	681,095	-
Non-current receivables	4,998,496	-
Total term loan receivables	<u>5,679,591</u>	<u>-</u>

The term loans are provided to different borrowers and with a range of maturities. Interest is charged at fixed rates of interest which are set based on market conditions at the time each loan is advanced. The weighted average interest rate at 31 December 2019 was 5.1% (2018: nil).

Short-term funding is provided to a range of borrowers and is repayable on demand. The balances vary over the course of each year based on the borrowing entities' funding needs. Interest is charged based on short-term interest rates for the currency in which the balance is denominated. The total balances at the end of the period (excluding accrued interest) were as follows:

	2019 \$'000	2018 \$'000
Total short-term funding receivables	<u>1,851,288</u>	<u>107,231</u>

8. Amounts owed to fellow group undertakings

In connection with the Company's function as the principal treasury centre for RELX, which it became on 1 October 2019, the Company funds its lending activities in part with short-term borrowings from fellow group undertakings. The portfolio of balances acquired on 1 October 2019 from RELX Group plc included various payables of this nature.

Where balances are denominated in currencies other than US dollars, the functional currency of the Company, the material future payments in connection with the payable balances are hedged back to US dollars using foreign exchange forward contracts (see note 9).

Short-term funding balances are borrowed from a range of fellow group undertakings and are repayable on demand. The balances vary over the course of each year based on the Company's funding needs. Interest is charged based on short-term interest rates for the currency in which the balance is denominated. The fair value of the payables therefore approximates to their carrying value. The total balances at the end of the period (excluding accrued interest) were as follows:

	2019 \$'000	2018 \$'000
Total short-term funding payables	<u>1,568,645</u>	<u>-</u>

9. Derivative financial instruments

The Company uses foreign exchange forward contracts to hedge the cash flow exposure arising on amounts lent to or borrowed from fellow group undertakings denominated in currencies other than US dollars. The portfolio of assets acquired on 1 October 2019 from RELX Group plc included a derivative book (comprising in part foreign exchange forward contracts and cross currency interest rate swaps) that hedged the currency exposure on the intercompany receivables and payables that were acquired on that date. The remainder of the derivative book comprised legacy interest rate swaps related to loan notes held by an affiliate company, which mature in September 2020.

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9. Derivative financial instruments (continued)

Derivative financial instruments are used to manage interest rate and foreign exchange risks. The Company does not enter into speculative derivative transactions.

Derivatives are recorded at fair value, determined in accordance with the accounting policies set out above. Movements in fair value are recognised immediately in the income statement. The fair value (excluding accrued interest) of the outstanding derivatives at 31 December 2019 were as follows:

	2019 \$'000	2018 \$'000
Derivative financial assets		
Interest rate swaps and cross currency interest rate swaps	7,969	-
Foreign exchange forward contracts	3,696	-
	11,665	-
Derivative financial liabilities		
Interest rate swaps and cross currency interest rate swaps	(1,825)	-
Foreign exchange forward contracts	(15,737)	(1,292)
	(17,562)	(1,292)

10. Other receivables

	2019 \$'000	2018 \$'000
Amounts owed by fellow group undertakings	65,362	-
Prepayment and other receivables	4,104	-
	69,466	-

Amounts owed by fellow group undertakings primarily comprise interest receivable on intercompany loan balances. Prepayment and other receivables include net interest receivable on the external interest rate swaps described in note 9.

11. Trade and other payables

	2019 \$'000	2018 \$'000
Amounts owed to fellow group undertakings	1,725	-
Corporation tax	51,736	2,042
	53,461	2,042

12. Share capital

	Authorised Number	\$	Called up, issued and fully paid Number	\$
<u>Ordinary shares of \$1 each</u>				
At 31 December 2018 and 31 December 2019	10,001	10,001	10,001	10,001

The Company has one class of ordinary shares which carry no right to fixed income.

13. Share premium account

	2019 \$'000
At 31 December 2018 and 31 December 2019	99,990

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14. Other reserves

	2019 \$'000
At 1 January 2019	-
Gift of loan portfolio	5,650,000
Transfer to retained earnings on repayment of loans	(450,000)
At 31 December 2019	<u>5,200,000</u>

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

15. Retained earnings

	Profit and loss account \$'000
At 1 January 2017	80
Loss for the year	(26,183)
Capital reduction	400,000
Dividend paid	(370,000)
At 31 December 2018	3,897
Profit for the year	211,854
Transfer from other reserves on repayment of loans	450,000
At 31 December 2019	<u>665,751</u>

16. 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 year ended 31 December 2019 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.

17. 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 year.