Annual Report and Financial Statements 2017

RELX Finance B.V.
Amsterdam

March 12, 2018

RELX Finance B.V.
Amsterdam

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Directors' report

General

The Directors present their report, together with the financial statements of RELX Finance B.V. (the ***Company***) for the year ended 31 December 2017.

Principal activities

The Company is a finance company with the main objective to raise funds, including the issue of bonds, loan notes, promissory notes or other securities, to finance RELX Group plc affiliates.

Financial Statement presentation

The financial statements of the Company have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU and Article 4 of the IAS Regulation.

Developments

RELX Group, of which the Company is a part, maintains a range of borrowing facilities and debt programmes to fund its funding requirements at competitive rates. Debt is issued to meet the funding requirements of various jurisdictions and in the currency that is needed, recognising that debt can act as a natural hedge of earnings and net assets in currencies other than the RELX Group reporting currency. The Company was set up during 2015 to enable an increased proportion of RELX Group's debt portfolio to be issued and denominated in euros, to better match the currency mix of earnings and operating cash flows.

In March 2017, the Company issued term debt of €500 million paying a coupon of 1.00% and maturing in 2024 and €500 million paying a coupon of 0.375% and maturing in 2021. Both notes are fully and unconditionally guaranteed by the parent companies of the Group, RELX N.V. and RELX PLC.

During 2017 the Company issued short term debt comprising US Commercial Paper and Euro Commercial Paper. Commercial Paper issued under both programmes is fully and unconditionally guaranteed by the parent companies of the Group, RELX N.V. and RELX PLC.

Prospects

In 2018 the Company will continue to raise funds to finance RELX Group plc affiliates.

Review of business

In 2017 the Company has issued term debt of €1,000 million and regularly issued commercial paper lending the funds raised to affiliated companies. The interest income received on these amounts covered the interest and administrative expenses of the Company in full.

Risk management

The Company is part of RELX Group, which has established internal controls and risk management practices that are embedded into the operations of the businesses, based on the Internal Control – Integrated Framework (2013) issued by the Committee of Sponsoring Organisations of the Treadway Commission (COSO).

The Company has identified and evaluated its principal risks, the controls in place to manage those risks and the levels of residual risk accepted. The Directors give consideration to the risk appetite (defined as the Company's willingness to take on risk) for each principal risk. Risk appetite is based on an assessment of the level of residual risk, taking account of inherent risk and mitigation effort. The level of residual risk which the Company is prepared to accept will vary, with a high level of mitigation effort over operational, financial and compliance risk.

The Company is exposed to financial risk through its financial assets and liabilities. The key financial risks are credit risk and liquidity risk. Credit risk is principally attributable to amounts owed by affiliate companies, and is not considered to be significant. Liquidity risk is not considered to be significant as the Company's borrowings are largely matched by amounts receivable from affiliate companies. 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 or issued at floating rates, by lending to affiliate companies at floating rates of interest. The Company does not have significant exposure to foreign exchange risk because the majority of its borrowings and the amounts receivable from affiliate companies are denominated in euros, the Company's functional currency. Where borrowings are issued in foreign currencies (such as the US dollar) they are hedged back to euro's using forward foreign exchange contracts. The Company has no other significant transactions denominated in foreign currencies.

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

Financial statements and accounting records

The financial statements provide a true and fair view of the state of affairs of RELX Finance B.V. as of 31 December 2017 and of the profit or loss in 2017. In preparing the financial statements, the Board ensures that suitable accounting policies, consistently applied and supported by reasonable judgements and estimates, have been used and applicable accounting standards have been followed. The Board is responsible for keeping proper accounting records, which 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 law. The Board has general responsibility for taking reasonable steps to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

Applicable accounting standards have been followed and the Company's financial statements are prepared using accounting policies which comply with International Financial Reporting

Standards as issued by the International Accounting Standards Board and as adopted by the European Union.

Audit committee

The Company has not established an audit committee as it uses the exemption for subsidiaries as mentioned under article 3 of the legislation as announced on 26 July 2008 ("Koninklijk besluit 323"). The ultimate parent company RELX Group plc has established an audit committee which is responsible for the oversight of financial reporting, risk management and internal control policies, and the effectiveness of internal and external audit processes. The Committee comprises only independent Non-Executive Directors of RELX Group plc.

Share capital

All issued shares are fully paid up and carry no additional obligations or special rights.

Directors' responsibility statement

Each of the Directors confirm, to the best of their knowledge, that

- the financial statements, prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board and as adopted by the European Union, give a true and fair view of the financial position and profit or loss of the Company; and
- the Directors' Report includes a fair review of the development and performance of the business during the financial year and the position of the Company as at 31 December 2017 together with a description of the principal risks and uncertainties that it faces.

Neither the Company nor the Directors accept any liability to any person in relation to the Annual report except to the extent that such liability arises under Dutch law.

Disclosure of information to auditors

As part of the process of approving the RELX Finance B.V. financial statements, the Board has taken steps to ensure that all relevant information was provided to the RELX Finance B.V. auditors and, so far as the Board is aware, there is no relevant audit information of which the RELX Finance B.V. auditors are unaware.

Going concern

The Directors, having made appropriate enquiries, consider that adequate resources exist for the Company to continue in operational existence for the forseeable future and that, therefore, it is appropriate to adopt the going concern basis in preparing the 2017 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.

Auditors

Ernst & Young Accountants LLP (EY) are the auditors of the Company in respect of the 2017 audit.

Amsterdam, 12 March 2018

Signed by Board of Directors:

J.S. van der Woude

A. Romaneschi

S.M. Thompson

Financial statements and other information

Statement of comprehensive income

For the year ended 31 December	Note	2017 €000	2016 €000
Interest and similar income		30,656	23,469
Interest and similar expense		(24,797)	(18,613)
Net interest income	6	**5,859**	**4,856**
Administrative expenses		(870)	(763)
Operating income	3	**4,989**	**4,093**
Profit before tax		**4,989**	**4,093**
Tax expense	7	(1,409)	(1,430)
Net profit for the year		**3,580**	**2,663**
Other comprehensive income		-	-
Total comprehensive income for the year		**3,580**	**2,663**

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Statement of cash flows

For the year ended 31 December	Note	2017 €000	2016 €000
Cash flows from operating activities			
Profit before tax		4,989	4,093
Change in operating assets		1,107	(23,207)
Change in operating liabilities		(1,601)	10,065
Other non-cash items included in profit before tax		(5,895)	(7,777)
Increase in amounts due from RELX Group companies	8	(365,441)	(1,022,796)
Net cash used in operating activities		**(366,841)**	**(1,039,622)**
Cash flows from financing activities			
(Decrease)/increase in short-term bank loans, overdrafts and commercial paper		(221,000)	240,679
(Decrease)/increase in amounts owed to RELX Group companies		(58,069)	62,435
Issuance of term debt		995,927	736,539
Repayment of term debt		(350,000)	-
Net cash from financing activities		**366,858**	**1,039,653**
Increase in cash and cash equivalents		**17**	**31**
Movement in cash and cash equivalents			
At start of year		38	-
Increase in cash and cash equivalents		17	31
Exchange translation differences		15	7
At end of year		**70**	**38**

Operational cash flows from interest		
Interest received	**32,074**	**25,642**
Interest (paid)	**(30,587)**	**(16,195)**

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Statement of financial position

As at 31 December	**Note**	**2017 €000**	**2016 €000**
Non-current assets			
Derivative financial instruments	10	751	-
Amounts due from RELX Group companies	8	2,328,668	1,963,227
		2,329,419	**1,963,227**
Current assets			
Amounts due from RELX Group companies	8	28,736	29,843
Cash and cash equivalents		70	38
		28,806	**29,881**
Total assets		**2,358,225**	**1,993,108**
Current liabilities			
Amounts owed to RELX Group companies	9	7,799	65,868
Trade and other payables	11	10,478	12,079
Borrowings	12	20,000	591,060
Taxation		2,957	1,548
		41,234	**670,555**
Non-current liabilities			
Derivative financial instruments	10	5,458	3,300
Borrowings	12	2,304,939	1,316,239
		2,310,397	**1,319,539**
Total liabilities		**2,351,631**	**1,990,094**
Net assets		**6,594**	**3,014**
Capital and reserves			
Share Capital	13	0	0
Reserves		3,014	351
Net profit		3,580	2,663
Shareholder’s equity		**6,594**	**3,014**

Company statement of changes in equity

	Share Capital €1	Net profit €000	Reserves €000	Total €000
Opening balance at 1 January 2016	*1*	**351**	**-**	**351**
Total comprehensive income for the period	-	2,663	-	2,663
Transfer of net profits to reserves		(351)	351	-
Balance at 1 January 2017	***1***	**2,663**	**351**	**3,014**
Total comprehensive income for the period	-	3,580	-	3,580
Transfer of net profits to reserves		(2,663)	2,663	-
Balance at 31 December 2017	***1***	**3,580**	**3,014**	**6,594**

Notes to the Financial Statements

For the year ended 31 December 2017

1. General

Activities

The activities of the Company, with its registered office and its actual place of business at Radarweg 29, Amsterdam, consist of financing RELX Group plc affiliates by raising funds including the issue of bonds, loan notes, promissory notes or other securities. The Company is a wholly-owned subsidiary of RELX Nederland B.V.

Group structure

RELX PLC and RELX N.V. jointly own RELX Group plc, which in turn holds all the Group's operating businesses and financing activities including the Company. RELX PLC, RELX N.V., RELX Group plc and its subsidiaries, joint ventures and associates are together known as "the Group".

RELX PLC, the London Stock Exchange listed shareholding vehicle, holds 52.9% of the shares in RELX Group plc. RELX N.V., the Euronext Amsterdam Stock Exchange listed shareholding vehicle, holds 47.1% of the shares in RELX Group plc.

The financial information of the Group has been recorded in the consolidated financial statements of RELX Group. Copies are available at the Trade Register of the Chamber of Commerce in Amsterdam.

2. Basis of preparation and accounting policies

Summary of significant accounting policies

The Company's financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union and Part 9 of Book 2 of the Dutch Civil Code. The accounting policies below are applied throughout the financial statements and are unchanged from those applied in preparing the financial statements for the year ended 31 December 2016.

The financial statements are presented in euros and all values are rounded to the nearest thousand (€000), except when otherwise indicated.

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.

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. 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.

Going concern

The Company provides funding for the activities of RELX Group plc for which the Directors have 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

Corporate income tax is calculated at the applicable rate on the result for the financial year, taking into account permanent differences between profit calculated according to the financial statements and profit calculated for taxation purposes, and with which deferred tax assets (if applicable) are solely valued insofar as their realisation is likely.

Financial instruments

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

Financial assets and liabilities are initialy recognized on the date that the Company becomes a party to the contractual provisions of the instrument. A financial asset is derecognised when the rights to receive cash flows from the asset have expired. A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires.

Receivables from and loans to associated companies and other receivables are recorded initially at fair value and subsequently carried at amortised cost, after deduction of any provisions.

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 income statement within finance costs. The offsetting gains or losses from remeasuring the fair value of the related derivatives are also recognised in the income statement within finance costs. When the related derivative expires, is sold or terminated, or no longer qualifies for hedge accounting, the cumulative change in fair value of the hedged borrowing is amortised in the income statement over the period to maturity of the borrowing using the effective interest method.

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

The Company assesses at each reporting date, whether there is any objective evidence that a financial asset is impaired. A financial asset is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that have occurred after the initial recognition of the asset that has an impact on the estimated future cash flows of the financial asset that can be reliably estimated. Any impairment is recognized immediately in the statement of comprehensive income.

Interest income and expense

Interest income and expense are recognized in the financial statements using the effective interest rate method.

Foreign exchange translation

Transactions in foreign currencies are recorded at the rate of exchange prevailing on the date of the transaction. At each statement of financial position date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rate prevailing on the statement of financial position date. Exchange differences arising are recorded in the income statement.

Standards and amendments effective for the year

The interpretations and amendments to IFRS effective for 2017 have not had a significant impact on the Company’s accounting policies or reporting. Following the amendments to IAS 7, a reconciliation of net borrowings has been included in Note 13.

Standards, amendments and interpretations not yet effective

New accounting standards and amendments and their expected impact on future accounting policies and reporting of the Company are set out below. Only standards that are relevant to the Company have been included.

IFRS 9 - *Financial Instruments* [effective for the 2018 financial year]. The standard replaces the existing classification and measurement requirements in IAS 39 - *Financial Instruments: Recognition and Measurement.* The Company is still assessing the impact of adopting the standard but not expected to be material.

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

3. Operating expenses

The Directors received no emoluments (2016: nil) in respect of their services.

4. Auditors' remuneration

Auditor's remuneration for the audit of the Company's financial statements was €67,000 (2016: €75,000)

5. Personnel

The Company has no employees (2016: nil)

6. Net interest income

	2017 €000	**2016 €000**
Interest receivable from affiliate companies	30,656	23,469
Interest and similar income	**30,656**	**23,469**
Interest receivable/ (payable) on short-term bank loans, overdrafts and commercial paper	(164)	(315)
Interest payable on term debt	(19,111)	(15,282)
Guarantee fees payable to RELX N.V.	(2,555)	(1,500)
Guarantee fees payable to RELX PLC	(2,555)	(1,500)
Fair value losses on designated fair value hedge relationships	(412)	(16)
Interest and similar expense	**(24,797)**	**(18,613)**
Net interest income	**5,859**	**4,856**

7. Tax expense

The rate of the current tax is 25% (2016: 25%) based on the Dutch standard rate for corporate tax. A reconciliation of the notional tax charge based on the average applicable rates of tax to the actual total tax expense is as follows:

	2017 €000	2016 €000
Profit on ordinary activities before taxation	**4,989**	**4,093**
Current tax charge at 25%	1,247	1,024
Non-deductible amortization of debt issuance costs for novated loans	162	255
Tax expense prior year	-	151
Tax expense	**1,409**	**1,430**

8. Amounts due from RELX Group companies

The movements in loans made to RELX Group companies were as follows:

	2017 €000	2016 €000
At start of period	1,963,227	940,431
Increase in amounts due from RELX Group companies	365,441	1,022,796
At end of year	**2,328,668**	**1,963,227**

The movements in other amounts due from RELX Group companies, primarily comprising intercompany interest receivable, were as follows:

	2017 €000	2016 €000
At start of period	29,843	6,636
(Decrease)/increase in amounts due from RELX Group companies	(1,107)	23,207
At end of year	**28,736**	**29,843**

The fair value of the above receivables approximates to their carrying value.

9. Amounts owed to RELX Group companies

The movements in amounts due to RELX Group companies, including intercompany interest payable and similar items, were as follows:

	2017 €000	2016 €000
At start of period	65,868	1,449
(Decrease)/increase in amounts due to RELX Group companies	(58,069)	64,419
At end of year	**7,799**	**65,868**

The fair value of the above payables approximates to their carrying value.

10. Financial instruments

The main financial risks faced by the Company are liquidity risk, market risk – comprising interest rate risk and foreign exchange risk – and credit risk. Financial instruments are used to finance the Company and to manage interest rate and foreign exchange risks. The Company does not enter into speculative derivative transactions. Details of financial instruments subject to liquidity, market and credit risks are described below.

Liquidity risk

The remaining contractual maturities for borrowings and derivative financial instruments are shown in the table below. The table shows undiscounted principal and interest cash flows.

		Contractual cash flow						
At 31 December 2017	**Carrying amount €000**	**Within 1 year €000**	**1-2 years €000**	**2-3 years €000**	**3-4 years €000**	**4-5 years €000**	**More than 5 years €000**	**Total €000**
Borrowings from third parties								
Fixed rate borrowings	(2,304,673)	(30,938)	(30,938)	(580,938)	(517,188)	(15,313)	(1,301,250)	(2,476,565)
Floating rate borrowings	(20,000)	(20,000)	-	-	-	-	-	(20,000)
Amounts owed to RELX Group affiliates	(7,799)	(7,799)	-	-	-	-	-	(7,799)
Interest rate derivative liabilities	(5,458)	3,116	1,036	(2,324)	(1,089)	(2,332)	(522)	(2,115)
Interest rate derivative assets	751	1,706	718	(1,123)	910	-	-	2,211
Total	**(2,337,179)**	**(53,915)**	**(29,184)**	**(584,385)**	**(517,367)**	**(17,645)**	**(1,301,772)**	**(2,504,268)**

At 31 December 2016	Carrying amount €000	Contractual cash flow: Within 1 year €000	1-2 years €000	2-3 years €000	3-4 years €000	4-5 years €000	More than 5 years €000	Total €000
Borrowings from third parties								
Fixed rate borrowings	(1,316,239)	(25,499)	(24,063)	(24,063)	(574,063)	(10,313)	(801,563)	(1,459,564)
Floating rate borrowings	(591,060)	(591,377)	-	-	-	-	-	(591,377)
Amounts owed to RELX Group affiliates	(65,868)	(65,868)	-	-	-	-	-	(65,868)
Interest rate derivative liabilities	(3,300)	(166)	(494)	(1,133)	(1,941)	-	-	(3,734)
Total	**(1,976,467)**	**(682,870)**	**(24,557)**	**(25,196)**	**(576,004)**	**(10,313)**	**(801,563)**	**(2,120,503)**

The carrying amount of derivative financial liabilities comprises €5,458k (2016: €3,300k) in respect of fair value hedges. The carrying amount of derivative financial assets comprises €751k (2016: nil) in respect of fair value hedges (see ‘Hedge accounting’ below).

Market risk
The Company’s primary market risks are to interest rate fluctuations and exchange rate movements. Derivatives are used to manage the risks associated with interest rate and exchange rate movements and the Company does not enter into speculative derivatives. Derivatives used by the Company for hedging a particular risk are not specialised and are generally available from numerous sources.

Interest rate exposure management
The interest rate exposure management policy of RELX Group (of which the Company is a part) aims to minimise interest costs with an acceptable level of year on year volatility. In this context, the Group issues fixed rate and floating rate borrowings and uses interest rate swaps where applicable. Interest rate derivatives are used only to hedge an underlying risk and no net market positions are held.

At 31 December 2017, 32% of gross borrowings were at fixed rate, after taking into account interest rate derivatives. The Company charges interest on the loans it makes to affiliate companies at a blended rate based on its own actual funding costs. A reduction or increase in interest rates would not therefore result in a significant change in the Company’s net interest income because the interest charged on the loans to affiliate companies would also change in proportion where applicable.

The impact on net equity of a theoretical change in interest rates as at 31 December 2017 is restricted to the change in carrying value of floating rate to fixed rate interest rate derivatives in a designated cash flow hedge relationship and undesignated interest rate derivatives, of which there were none (2016: none) in the Company as at 31 December 2017. There would therefore be no change in net equity (2016: nil) from a change in interest rates. The impact of a change in interest rates on the carrying value of fixed rate borrowings in a designated fair value hedge relationship would be offset by the change in carrying value of the related interest rate derivative. Fixed rate borrowings not in a designated hedging relationship are carried at amortised cost.

Foreign currency exposure management
The Company does not have significant exposure to foreign exchange risk because the majority of its borrowings and all of the amounts receivable from affiliate companies are denominated in euros, the Company's functional currency. Where borrowings are issued in foreign currencies (such as the US dollar) they are hedged back to euros using forward foreign exchange contracts. The Company has no other significant transactions denominated in foreign currencies.

Credit Risk
The Company lends all the funds raised through its external borrowings to affiliate companies within RELX Group and therefore has a credit exposure if the affiliate companies are unable to repay the amounts lent by the Company. This credit risk is considered acceptable given the size and financial strength of RELX Group, as evidenced by its solid investment grade ratings. In addition, RELX Group has access to a $2,000 million committed bank facility maturing in July 2020.

As at 31 December 2017, there were no loans from affiliate companies that were past due (2016: nil).

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 income statement.

Interest rate derivatives with a notional amount of €1,550 million were in place at 31 December 2017 (2016: €550 million) swapping fixed rate term debt issues to floating rate debt for the whole or part of their term (see note 12).

The gains and losses on the borrowings and related derivatives designated as fair value hedges, which are included in the income statement, for the two years ended 31 December 2017 were as follows:

	1 January 2016 €000	**Fair value movement gain/(loss) €000**	**31 December 2016 €000**	**Fair value movement gain/(loss) €000**	**31 December 2017 €000**
Debt	-	3,284	3,284	995	4,279
Related interest rate swaps	-	(3,300)	(3,300)	(1,407)	(4,707)
Net loss	**-**	**(16)**	**(16)**	**(412)**	**(428)**

All fair value hedges were highly effective throughout the period from inception to 31 December 2017.

11. Trade and other payables

Trade and other payables are predominantly non-interest bearing and their carrying amounts approximate to their fair value, and comprises as follows:

	2017 €000	2016 €000
Interest payable on borrowings	10,353	11,904
VAT payable	12	98
Trade creditors	36	19
Other payables	77	58
Trade and other payables	**10,478**	**12,079**

12. 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	20,000	-	20,000	241,000	-	241,000
Term debt	-	738,590	738,590	350,060	737,248	1,087,308
Term debt in fair value hedging relationships	-	1,566,349	1,566,349	-	578,991	578,991
Total	**20,000**	**2,304,939**	**2,324,939**	**591,060**	**1,316,239**	**1,907,299**

The total fair value of borrowings measured at amortised cost is €773 million (2016: €1,353 million). The total fair value of borrowings in fair value hedging relationships is €1,589 million (2016: €598 million).

The Company's term debt borrowings comprise the following:

	2017 €000	2016 €000
Floating rate loan notes 2017 – measured at amortised cost	-	350,060
2.5% loan notes 2020 – in a fair value hedging relationship	570,096	578,991
0.375% public notes 2021 – in a fair value hedging relationship	499,664	-
1.000% public notes 2024 – in a fair value hedging relationship	496,589	-
1.375% public notes 2026 – measured at amortised cost	738,590	737,248
	2,304,939	**1,666,299**

13. Reconciliation of net borrowings

	Cash and cash equivalents €000	**Net amounts due from RELX Group companies €000**	**Borrowings €000**	**Related derivative financial instruments €000**	**2017 €000**	**2016 €000**
At start of year	38	1,927,202	(1,907,299)	(3,300)	16,641	4,125
Increase in cash and cash equivalents	17	-	-	-	17	31
Increase in net amounts due from RELX Group companies	-	423,510	-	-	423,510	960,361
Decrease/(increase) in short-term bank loans, overdrafts and commercial paper	-	-	221,000	-	221,000	(240,679)
Issuance of term debt	-	-	(995,927)	-	(995,927)	(736,539)
Repayment of term debt	-	-	350,000	-	350,000	-
Change in net borrowings resulting from cash flows	**17**	**423,510**	**(424,927)**	**-**	**(1,400)**	**(16,826)**
Non-cash flow movement in amounts due from RELX Group companies	-	(1,107)	-	-	(1,107)	21,223
Fair value adjustments to borrowings and related derivatives	-	-	7,287	(1,407)	5,880	8,050
Exchange translation differences	15	-	-	-	15	69
At end of year	**70**	**2,349,605**	**(2,324,939)**	**(4,707)**	**20,029**	**16,641**

14. Shareholders' equity

Issued share capital

The issued share capital of the Company amounts to €1, divided into 100 ordinary shares of €0.01 each. The total number of issued shares is 100.

Reserves

The Company's reserves comprise the following:

	Net Profit €000	Reserves €000	Total €000
Balance at 1 January 2016	351	-	351
Total comprehensive income for the year	2,663	-	2,663
Transfer of net profits to reserves	(351)	351	-
Balance at 1 January 2017	**2,663**	**351**	**3,014**
Total comprehensive income for the year	3,580	-	3,580
Transfer of net profits to reserves	(2,663)	2,663	-
Balance at 31 december 2017	**3,580**	**3,014**	**6,594**

15. Related party transactions

The Company has related party transactions with entities that are part of RELX Group plc. Transactions were made on normal market terms of trading and comprise the rendering and receiving of services totaling €728,000 (2016: €706,000). Interest income on amounts owed by RELX Group companies was €30,656,000 (2016: €23,469,000) and guarantee fee expense to the guarantors RELX N.V. and RELX PLC was €5,110,000 (2016: €3,000,000). As at 31 December 2017, amounts owed by RELX Group companies were €2,328,668,000 (2016: €1,993,070,000) and amounts due to RELX Group companies were €7,799,000 (2016: €65,868,000). Key management personnel are also related parties as defined by IAS24 – Related Party Disclosures and comprise the Directors of the Company. There were no transactions with key management personnel.

16. Contingent liabilities

The Company is part of a fiscal unity for corporate income tax and VAT purposes and for that reason it is jointly and severally liable for the tax liabilities of the fiscal unity as a whole. The head of the fiscal unity is RELX Overseas B.V. Tax balances are calculated as if the Company was an independent entity.

17. Profit appropriation

The Board of Directors proposes that the result for the year ended 31 December 2017 amounting to €3,580,000 should be retained in reserves without payment of dividend.

18. Events after balance sheet date

There were no subsequent events.

Signing of the financial statements

Amsterdam, 12 March 2018

Signed by Board of Directors:

J.S. van der Woude

A. Romaneschi

S.M. Thompson

Registered office

Radarweg 29
1043 NX Amsterdam
The Netherlands

Chamber of Commerce Amsterdam
No. 62916602

Other information

Audit

For the independent auditor's report, reference is made to the next page.

Appropriation of result according to articles of association

The profit of the year is at the disposal of the Board of Directors in accordance with Article 22 of the Company's articles of association.

RELX Finance B.V.
Amsterdam

Independent auditor's report

EY
Building a better working world

Independent auditor's report

To: the shareholder of RELX Finance B.V.

Report on the audit of the financial statements 2017 included in the annual report

Our opinion

We have audited the financial statements 2017 of RELX Finance B.V., based in Amsterdam.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of RELX Finance B.V. as at 31 December 2017, and of its result and its cash flows for 2017 in accordance with International Financial Reporting Standards as adopted by the European Union and with Part 9 of Book 2 of the Dutch Civil Code.

The financial statements comprise:

- The statement of financial position as at 31 December 2017
- The following statements for 2017: income statement and statement of comprehensive income, statements of changes in equity and cash flows
- The notes comprising a summary of the significant accounting policies and other explanatory information

Basis for our opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. Our responsibilities under those standards are further described in the "Our responsibilities for the audit of the financial statements" section of our report.

We are independent of RELX Finance B.V. in accordance with the EU Regulation on specific requirements regarding statutory audit of public-interest entities, the Wet toezicht accountantsorganisaties (Wta, Audit firms supervision act), the Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore, we have complied with the Verordening gedrags- en beroepsregels accountants (VGBA, Dutch Code of Ethics).

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

Materiality

Materiality	€17,600,000 (2016: €9,800,000)
Benchmark applied	0.75% of total assets
Explanation	We have applied total assets as a benchmark since the main objective of the company is financing RELX Group plc affiliates by raising funds, including the issue of bonds, loans notes, promissory notes or other securities. Materiality has increased due to this being our second year auditing the company.

We have also taken into account misstatements and/or possible misstatements that in our opinion are material for the users of the financial statements for qualitative reasons.

We agreed with management that misstatements in excess of €880,000 which are identified during the audit, would be reported to them, as well as smaller misstatements that in our view must be reported on qualitative grounds.

Our 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. We have communicated the key audit matters to management. The key audit matters are not a comprehensive reflection of all matters discussed.

These matters were addressed in the context of our audit of the financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matters are consistent with prior year.

Risk	Our audit approach	Key observations
Valuation and existence of the loans granted Refer to note 2 of the financial statements as part of the summary of the significant accounting policies and note 8 to the financial statements		
We consider the valuation and the existence of the loans granted for a total amount of €2.329 million, as a key audit matter. This is due to the balance of the loans in relation to the balance sheet total and given the fact that an impairment of the loans may have a material effect on the income statement. Loans are initially recognized at their fair value and subsequently measured at amortized cost using the effective interest method. Management did not identify any impairment triggers regarding the loans issued.	We have performed substantive procedures addressing the valuation and existence of the loans issued to RELX Group companies, through: ▶ Reconciliation of the balances as recorded by RELX Finance B.V. with the administration, the contracts and the bank statements ▶ Testing the amortized cost calculation of loans ▶ Assessing whether there were any impairment triggers	We concur with the position taken by management as set out in the financial statements.

Building a better working world

Risk	Our audit approach	Key observations
Derivative financial instruments and hedge accounting Refer to note 2 of the financial statements as part of the summary of the significant accounting policies and note 10 to the financial statements		
We consider the valuation of the derivative financial instruments and hedge accounting as a key audit matter due to the detailed formal and technical requirements that are applicable and that the inappropriate application of these requirements can lead to a material effect on the income statement.	We have reviewed the effectiveness testing of hedge accounting relationships in respect of the borrowing. We have tested the valuation of the derivative financial instruments as well as the valuation of the hedged item in hedge accounting relations. In addition, we have assessed whether the assumptions used are in line with market practice.	We concur with the position taken by management with respect to the accounting of the derivative financial instruments.

Report on other information included in the annual report

In addition to the financial statements and our auditor's report thereon, the annual report contains other information that consists of:

- The directors' report
- Other information pursuant to Part 9 of Book 2 of the Dutch Civil Code

Based on the following procedures performed, we conclude that the other information:

- Is consistent with the financial statements and does not contain material misstatements
- Contains the information as required by Part 9 of Book 2 of the Dutch Civil Code

We have read the other information. Based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements. By performing these procedures, we comply with the requirements of Part 9 of Book 2 of the Dutch Civil Code and the Dutch Standard 720. The scope of the procedures performed is less than the scope of those performed in our audit of the financial statements.

Management is responsible for the preparation of the other information, including the directors' report in accordance with Part 9 of Book 2 of the Dutch Civil Code and other information pursuant to Part 9 of Book 2 of the Dutch Civil Code.

Report on other legal and regulatory requirements

Engagement

We were engaged by management as auditor of RELX Finance B.V. on 9 February 2017, as of the audit for the year 2016 and have operated as statutory auditor since that date.

No prohibited non-audit services

We have not provided prohibited non-audit services as referred to in Article 5(1) of the EU Regulation on specific requirements regarding statutory audit of public-interest entities.

Other non-prohibited services provided

In addition to the statutory audit of the financial statements we provided the following services:

- Consent letter relating to Offer Memorandum

Description of responsibilities for the financial statements

Responsibilities of management for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards ad adopted by the European Union and Part 9 of Book 2 of the Dutch Civil Code. Furthermore, management is responsible for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of the financial statements, management is responsible for assessing the company's ability to continue as a going concern. Based on the financial reporting frameworks mentioned, management should prepare the financial statements using the going concern basis of accounting unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so. Management should disclose events and circumstances that may cast significant doubt on the company's ability to continue as a going concern in the financial statements.

Our responsibilities for the audit of the financial statements

Our objective is to plan and perform the audit assignment in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion.

Our audit has been performed with a high, but not absolute, level of assurance, which means we may not have detected all material errors and fraud.

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. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

We have exercised professional judgment and have maintained professional skepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. Our audit included e.g.,:

- Identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control
- Obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control
- Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management

- Concluding on the appropriateness of management's use of the going concern basis of accounting, and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a company to cease to continue as a going concern
- Evaluating the overall presentation, structure and content of the financial statements, including the disclosures
- Evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation

We communicate with management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant findings in internal control that we identify during our audit.

We provide management with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with management, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, not communicating the matter is in the public interest.

Amsterdam, 12 March 2018

Ernst & Young Accountants LLP

signed by A.A. van Eimeren