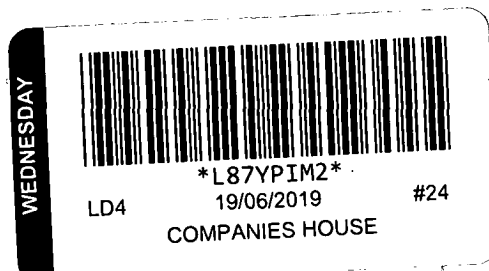


Company Registration No. 02746616

RELX GROUP PLC
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018



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RELX GROUP PLC
OFFICERS AND PROFESSIONAL ADVISERS

Directors

A J Habgood		<i>Resigned</i>
E Engstrom		8 September 2018
N L Luff		8 September 2018
W G Hauser		8 September 2018
A N Hennah		8 September 2018
M E van Lier Lels		8 September 2018
R J MacLeod		8 September 2018
C G Mills		8 September 2018
L S Sanford		8 September 2018
B van der Veer		8 September 2018
S H Wood		8 September 2018
H A Udow	8 September 2018	

Company Secretary

H A Udow		8 September 2018
A W McCulloch	8 September 2018	

Registered Office

1-3 Strand
London
WC2N 5JR
United Kingdom

Auditor

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

RELX GROUP PLC
STRATEGIC REPORT

The directors present their Strategic Report for the year ended 31 December 2018.

PRINCIPAL ACTIVITY

The Company has carried on the activities of a holding company for RELX PLC. The directors do not anticipate any changes in activities in the foreseeable future. The Company's shares are not publicly traded.

On 21 March 2019, RELX Group plc purchased from Elsevier Finance SA a \$5,650 million (£4,290 million) portfolio of loan receivables due from RELX Group plc's indirect US subsidiary RELX Inc. This was subsequently gifted to RELX Group plc's indirect UK subsidiary RELX Finance Limited.

BUSINESS REVIEW

The profit before tax for the year was £2,226m (2017: £1,706m). The total comprehensive profit for the year of £2,137m (2017: £1,853m) has been taken to reserves.

KEY PERFORMANCE INDICATORS

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

FINANCIAL RISK MANAGEMENT

Due to the fact the Company has solely carried on the activities of a holding company during the year and has no plans to change within the foreseeable future, the Company does not consider it necessary to adopt a financial risks policy as information regarding credit, liquidity and market risk is not considered material for the assessment of the assets, liabilities, financial position and profit or loss of the Company.

Important specific risks affecting RELX are discussed in the RELX Annual Reports and Financial Statements 2018 (available on www.relx.com) which does not form part of this report.

The Strategic Report has been approved by the Board.

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



A W McCulloch
Company Secretary
31/05 2019

RELX GROUP PLC
DIRECTORS' REPORT

The directors present their annual report on the affairs of the Company together with the audited financial statements and supporting notes for the year ended 31 December 2018.

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

Dividends

During 2018 the Company proposed and paid dividends of £2,000m (2017: £800m).

Going concern

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

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

Directors

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

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

Auditor

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

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

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

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

By Order of the Board

1-3 Strand
London WC2N 5JR



A W McCulloch
Company Secretary
31/05/2019

RELX GROUP PLC

DIRECTORS' RESPONSIBILITIES STATEMENT

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

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

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards 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 GROUP PLC**

Opinion

We have audited the financial statements of RELX Group plc for the year ended 31 December 2018 which comprise the Income Statement, the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and the related notes 1 to 16, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 101 "Reduced Disclosure Framework (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the company's affairs as at 31 December 2018 and of its 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.

Conclusions relating to going concern

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

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

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 GROUP PLC (continued)**

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and directors' report have 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 strategic report or directors' report.

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

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

Responsibilities of directors

As explained more fully in the directors' responsibilities statement [set out on page...], 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.

Ernst & Young LLP

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

31 MAY 2019

RELX GROUP PLC
INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2018

	Note	2018 £m	2017 £m
Administrative (expenses)/income		(41)	22
Other income		32	8
Income from shares in group undertakings		2,847	1,714
Operating profit	3	2,838	1,744
Finance costs	6	(8)	(10)
Impairment of investment in subsidiary undertaking		(589)	-
Profit before tax		2,241	1,734
Current tax		(14)	(30)
Deferred tax (expense)/credit		(1)	2
Tax expense	7	(15)	(28)
Net profit for the year		2,226	1,706

All results relate to continuing operations.

RELX GROUP PLC
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2018

	Note	2018 £m	2017 £m
Net profit for the year		2,226	1,706
Items that will not be reclassified to profit or loss:			
Actuarial (loss)/gain on defined benefit pension scheme	5	(88)	187
Tax on items that will not be reclassified to profit or loss	7	17	(39)
Total items that will not be reclassified to profit or loss		(71)	148
Items that may be reclassified subsequently to profit or loss:			
Fair value movement on other investments	10	(17)	(1)
Total items that may be reclassified to profit or loss		(17)	(1)
Other comprehensive (loss)/income for the year		(88)	147
Total comprehensive income for the year		2,137	1,853

All results relate to continuing operations.

RELX GROUP PLC
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2018

	Note	2018 £m	2017 £m
Non-current assets			
Intangible assets	8	63	80
Investments in subsidiary undertakings	9	8,845	9,399
Other investments	10	115	124
Deferred tax assets	7	69	55
		<u>9,092</u>	<u>9,658</u>
Current assets			
Amounts owed by subsidiary undertakings		3,059	2,288
Taxation receivable	7	30	4
		<u>3,089</u>	<u>2,292</u>
Total assets		<u>12,181</u>	<u>11,950</u>
Current liabilities			
Trade and other payables		1	-
Non-current liabilities			
Net pension obligation	5	356	263
Total liabilities		<u>357</u>	<u>263</u>
Net assets		<u>11,824</u>	<u>11,687</u>
Capital and reserves			
Called up share capital	11	-	-
Share premium	11	2,905	2,905
Merger reserve		5,509	6,098
Other reserves	12	3,410	2,684
Total equity		<u>11,824</u>	<u>11,687</u>

The notes on pages 11 to 19 form part of these financial statements.

The financial statements of RELX Group plc, registered number 02746616, were approved by the Board of Directors and authorised for issue on **31/05/** 2019. They were signed on its behalf by:



N L Luff
Director

RELX GROUP PLC
STATEMENT OF CHANGES IN EQUITY
AS AT 31 DECEMBER 2018

	Share capital £m	Share premium £m	Merger reserve £m	Other reserves £m	Total equity £m
Balance at 1 January 2017	-	2,905	6,098	1,631	10,634
Total comprehensive income for the year	-	-	-	1,853	1,853
Dividends paid	-	-	-	(800)	(800)
Balance at 1 January 2018	-	2,905	6,098	2,684	11,687
Total comprehensive income for the year	-	-	-	2,137	2,137
Impairment taken to merger reserve			(589)	589	-
Dividends paid	-	-	-	(2,000)	(2,000)
Balance at 31 December 2018	-	2,905	5,509	3,410	11,824

Distributable reserves totalling £3,261m (2017: £2,533m) comprise the distributable portion of other reserves.

RELX GROUP PLC
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

1. Accounting policies

Basis of preparation

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

The Company meets the definition of a qualifying entity under Financial Reporting Standard (FRS) 100 issued by the Financial Reporting Council (FRC). Accordingly, for the year ended 31 December 2018 these financial statements were prepared in accordance with FRS 101 (Financial Reporting Standard 101) ‘*Reduced Disclosure Framework*’ issued by the FRC, incorporating the amendments to company law made by The Companies, Partnerships and Groups (Accounts and Reports) Regulations 2015 and in so doing has applied the requirements of International Financial Reporting Standards (IFRS) 1.6-33 and related appendices.

The financial statements have been prepared on the historical cost basis.

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

As permitted by FRS 101, the Company has taken advantage of the disclosure exemptions available under that standard in relation to 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. The group financial statements of RELX PLC are available to the public and can be obtained as set out in note 14.

The principal accounting policies adopted are set out below.

Going concern

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

Pensions

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

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

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

Intangible assets

Intangible assets acquired as part of a business combination are stated in the statement of financial position at their fair value as at the date of acquisition, less accumulated amortisation. Intangible assets acquired as part of business combinations comprise market-related assets (e.g. trademarks, imprints, brands). Intangible assets are amortised on a straight-line basis over their estimated useful lives. The estimated useful lives of intangible assets with finite lives is 5 years.

Investments

Investments in subsidiary undertakings are stated at cost less any impairment in value.

RELX GROUP PLC
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

1. Accounting policies (continued)

Other investments

Other investments relate to ordinary shares of RELX PLC held by the Group Employee Benefit Trust. They are classified as investments and are held at market value with changes in fair value recognised directly in equity.

Taxation

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

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

Financial instruments

Financial instruments other than investments comprise trade receivables, payables and accruals, and borrowings.

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

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

Interest receivable and interest payable

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

Standards and amendments effective for the year

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

2. Information regarding directors and employees

The directors received no emoluments (2017: nil) in respect of their services to the Company. The Company has two employees (2017: two employees). Their cost is borne by other group companies.

3. Operating profit

Operating profit is stated after charging the following:

	Note	2018 £m	2017 £m
Staff costs			
Pension charge/(credit)	5	1	(51)
Amortisation			
Amortisation of acquired intangible assets		17	4
		<u>17</u>	<u>4</u>

4. Auditor's remuneration

The auditor's remuneration for the audit of the Company's annual financial statements was £5,750 (2017: £5,610). The Company incurred and did not recharge auditor's remuneration for other group companies totalling £1.6m (2017: £1.5m).

RELX GROUP PLC
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

5. Pension schemes

The Company participates in the Reed Elsevier Pension Scheme, the legacy UK defined benefit scheme. This scheme is of the defined benefit type providing benefits to certain current and former RELX employees, and its assets are held separately from the group's assets.

RELX Group plc is the scheme guarantor with the relevant RELX company employers contributing only to the scheme based on the cost of ongoing benefit accrual. Therefore, RELX Group plc recognises the whole of the scheme surplus or deficit in its financial statements.

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

	2018 £m	2017 £m
Service cost	27	33
Settlement and past service credits	11	(42)
Defined benefit pension expense/(credit)	38	(9)
Net interest on net defined benefit obligation	(6)	(10)
Net defined benefit pension expense/(credit)	32	(19)

The service cost, and settlement and past service credits represents the cost for all RELX UK defined benefit scheme employees. The pension charge (2017: pension credit) in the income statement is shown net of recharges to other RELX entities.

Net interest on net defined benefit pension scheme liabilities is presented within finance costs in the income statement.

Employer cash contributions to defined benefit pension schemes in respect of 2019 are expected to be approximately £62m including a £44m pension deficit funding contribution relating to the UK scheme recovery plan.

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

As at December 31	2018	2017
Discount rate	2.85%	2.60%
Inflation	3.15%	3.15%

The discount rate is set by reference to high-quality government bond yields.

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

	2018	
As at December 31	Male average life expectancy	Female average life expectancy
Member currently aged 60 years	85	88
Member currently aged 45 years	87	90

RELX GROUP PLC
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

5. Pension schemes (continued)

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

	2018			2017		
	Defined benefit obligation	Fair value of scheme assets	Net defined benefit obligation	Defined benefit obligation	Fair value of scheme assets	Net defined benefit obligation
	£m	£m	£m	£m	£m	£m
At start of year	(3,844)	3,581	(263)	(3,873)	3,382	(491)
Service cost	(27)	-	(27)	(33)	-	(33)
Past service (cost)/credits	(11)	-	(11)	42	-	42
Interest on pension scheme (liabilities)/assets	(98)	92	(6)	(101)	91	(10)
Return on assets excluding amounts included in interest income	-	(184)	(184)	-	180	180
Actuarial gain on financial assumptions	92	-	92	45	-	45
Actuarial gain/(loss) arising from experience assumptions	4	-	4	(38)	-	(38)
Contributions by employer	-	39	39	-	42	42
Contributions by employees	(8)	8	-	(8)	8	-
Benefits paid	131	(131)	-	122	(122)	-
At end of year	(3,761)	3,405	(356)	(3,844)	3,581	(263)

As at 31 December 2018 the defined benefit obligations comprise £3,611m (2017: £3,690m) in relation to funded schemes and £150m (2017: £154m) in relation to unfunded schemes.

The weighted average duration of defined benefit scheme liabilities is 19 years (2017: 20 years). Deferred tax assets of £63m (2017: £45m) are recognised in respect of the pension scheme deficits.

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

	2018 £m	2017 £m
Gains and losses arising during the year:		
Experience gain/(loss) on scheme liabilities	4	(38)
Experience (loss)/gain on scheme assets	(184)	180
Actuarial gain/(loss) arising on the present value of scheme liabilities due to changes in:		
- discount rates	167	(40)
- inflation	-	68
- other actuarial assumptions	(75)	17
	(88)	187

RELX GROUP PLC
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

5. Pension schemes (continued)

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

	2018 £m	2017 £m
Equities	1,128	1,252
Government bonds	1,224	1,395
Property funds and ground leases	723	620
Structured debt and direct lending	290	253
Cash and cash equivalents	26	46
Other	14	15
Total	3,405	3,581

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

Typically, RELX Group plc's scheme is exposed to: investment risks, whereby actual rates of return on plan assets may be below those rates used to determine the defined benefit obligations, and interest rate risks, whereby scheme deficits may increase if bond yields in the UK decline and are not offset by returns in government bond portfolios. The scheme is also exposed to other risks, such as unanticipated future increases in member longevity patterns and inflation, all potentially leading to an increase in scheme liabilities.

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

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

Sensitivity analysis

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

	£m
Increase/decrease of 0.25% in discount rate:	177
Increase/decrease of 0.25% in the expected inflation rate:	94
Increase/decrease of one year in assumed life expectancy:	156

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

Further details of the RELX pension schemes are disclosed on pages 133 to 136 of the consolidated financial statements of the ultimate parent company, which are available as disclosed in note 14 below.

RELX GROUP PLC
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

6. Finance costs

	2018 £m	2017 £m
Interest payable and similar charges:		
Net financing charge on defined benefit pension schemes	6	10
Foreign exchange losses	2	-
Finance costs	8	10

7. Taxation

	2018 £m	2017 £m
Current tax	(14)	(30)
Deferred tax (expense)/credit	(1)	2
Tax expense	(15)	(28)

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

	2018 £m	2017 £m
Profit on ordinary activities before taxation	2,241	1,734
Expected tax expense at 19% (2017: 19.25%)	(426)	(334)
Non-taxable dividend income	537	330
Non-deductible expenditure	(126)	(24)
Tax expense	(15)	(28)

Factors that may affect future tax charges

The standard rate of Corporation Tax in the UK was 19%, accordingly, the company's profits for the accounting period are taxed at 19%. A further reduction to the Corporation Tax rate from 19% to 17% with effect from 1 April 2020 was enacted in September 2016. Therefore a deferred tax charge of £1m (2017: credit of £2m) is recognised as a tax expense.

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

	2018 £m	2017 £m
Tax on items that will not be reclassified to profit or loss		
Tax on actuarial movements on defined benefit pensions schemes	17	(39)

RELX GROUP PLC
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

7. Taxation (continued)

	2018 £m	2017 £m
Deferred tax assets	69	55
Net deferred tax assets	69	92

	Deferred tax asset	Deferred tax asset	
	Losses £m	Pensions liabilities £m	Total £m
Deferred tax asset at 1 January 2017	8	84	92
Credit to profit	2	-	2
Charge to other comprehensive income	-	(39)	(39)
Deferred tax asset at 1 January 2018	10	45	55
Prior year adjustment	(1)	-	(1)
(Charge)/credit to profit	(1)	1	-
Credit to other comprehensive income	-	15	15
Deferred tax asset at December 2018	8	61	69

8. Intangible assets

	Acquired intangible assets £m
Cost	
At 1 January 2018	84
At 31 December 2018	84
Amortisation	
At 1 January 2018	(4)
Charge for the year	(17)
At 31 December 2018	(21)
Net book amount	
At 31 December 2018	63
At 31 December 2017	80

The intangible assets relate to the ownership of the RELX trademark.

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9. Investments in subsidiary undertakings

	£m
Cost	
At 1 January 2018	9,403
Additions	35
At 31 December 2018	9,438
Provision for impairment	
At 1 January 2018	(4)
Impairment in subsidiary undertakings	(589)
At 31 December 2018	(593)
Carrying amount	
At 31 December 2018	8,845
At 31 December 2017	9,399

The impairment in subsidiary was recognised in order to write the value of the investment down to its net assets value.

10. Other investments

	2018 £m	2017 £m
Investments in RELX PLC shares		
At 1 January	124	123
Additions	43	39
Share-based payment awards	(35)	(37)
Fair value adjustment	(17)	(1)
At 31 December	115	124

11. Share capital and share premium

Authorised	Number	£
<i>Ordinary shares of £1 each</i>		
- Ordinary shares	104,513	104,513

All of the ordinary shares rank equally in respect of voting rights and the right to receive dividends. All of the R ordinary shares rank equally in respect of voting rights and the right to receive dividends. On 8 September 2018, all E ordinary shares were converted into R ordinary shares.

Called up, issued and fully paid	Ordinary shares Number	R shares Number	E shares Number	Ordinary shares £	R shares £	E shares £
At 1 January 2018	63,226	21,287	15,487	63,226	21,287	15,487
Re-designation of shares	-	15,487	(15,487)	-	15,487	(15,487)
At 31 December 2018	63,226	36,774	-	63,226	36,774	-

Share premium	2018 £m	2017 £m
At 1 January and 31 December	2,905	2,905

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12. Other reserves

	2018 £m	2017 £m
Profit and loss account		
At 1 January	2,684	1,631
Total comprehensive income for the year	2,726	1,853
Dividends paid	(2,000)	(800)
At 31 December	3,410	2,684

13. Consolidated group financial statements

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

14. Ultimate parent company

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 2018 are consolidated is RELX PLC. Copies of the consolidated financial statements of RELX PLC may be obtained from its registered office at 1-3 Strand, London, WC2N 5JR, United Kingdom.

15. 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.

16. Post balance sheet event

On 21 March 2019, RELX Group plc purchased from Elsevier Finance SA a \$5,650 million (£4,290 million) portfolio of loan receivables due from RELX Group plc's indirect US subsidiary RELX Inc. This was subsequently gifted to RELX Group plc's indirect UK subsidiary RELX Finance Limited.