

COMPANY NUMBER: 52790

REED PUBLISHING LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

31 DECEMBER 2003



DIRECTORS' REPORT

The Directors present their annual report and the audited financial statements for the year ended 31 December 2003.

TRADING RESULTS AND DIVIDENDS

The Company has not traded throughout the year. The profit before taxation for the year was £nil (2002 : £nil). No dividends were paid during the year (2002 : £nil).

PRINCIPAL ACTIVITIES

The Company has carried on the activities of a holding company and the Directors do not anticipate any changes in these activities. The Company was a wholly-owned subsidiary throughout the year and accordingly group accounts have not been prepared.

DIRECTORS

The following have served as Directors since 1 January 2003:

RE Directors (No.1) Limited

RE Directors (No.2) Limited

DIRECTORS' INTERESTS

No Director was beneficially interested at any time in the share capital of the Company or other group companies.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

United Kingdom company law requires the Directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company as at the end of the financial year and of the profit or loss of the Company for that period. In preparing those 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 accounting standards have been followed; and
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 1985. 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.

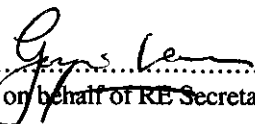
DIRECTORS' REPORT CONTINUED

AUDITORS

On 1 August 2003, Deloitte & Touche, the Company's auditors, transferred their business to Deloitte & Touche LLP, a limited liability partnership incorporated under the Limited Liability Partnership Act 2000. The Company's consent has been given to treating the appointment of Deloitte & Touche as extending to Deloitte & Touche LLP with effect from 1 August 2003 under the provisions of Section 26(5) of the Companies Act 1989.

Deloitte & Touche LLP have expressed their willingness to continue in office as auditors and a resolution to re-appoint them will be proposed at the forthcoming Annual General Meeting.

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


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For and on behalf of RE Secretaries Limited,
Secretary

28th October 2004

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF REED PUBLISHING LIMITED

We have audited the financial statements of Reed Publishing Limited for the year ended 31 December 2003 which comprise the balance sheet and the related notes 1 to 10. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the Company's members, as a body, in accordance with section 235 of the Companies Act 1985. 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 auditors' 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.

Respective responsibilities of Directors and auditors

As described in the statement of Directors' responsibilities, the Company's Directors are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibility is to audit the financial statements in accordance with relevant United Kingdom legal and regulatory requirements and auditing standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report if, in our opinion, the Directors' report is not consistent with the financial statements, if the Company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding Directors' remuneration and transactions with the Company is not disclosed.

We read the Directors' report for the above year and consider the implications for our report if we become aware of any apparent misstatements.

Basis of audit opinion

We conducted our audit in accordance with United Kingdom auditing standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Directors in the preparation of the financial statements and of whether the accounting policies are appropriate to the Company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion, we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the Company's affairs as at 31 December 2003 and of its result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Deloitte & Touche LLP

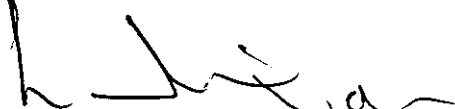
Deloitte & Touche LLP
Chartered Accountants and Registered Auditors
London
28 October 2004

BALANCE SHEET AT 31 DECEMBER 2003

| | <u>Note</u> | <u>2003</u> £'000 | <u>2002</u> £'000 |
|---|-------------|----------------------|----------------------|
| FIXED ASSETS | | | |
| Investments | 3 | 409,511 | 409,511 |
| CURRENT ASSETS | | | |
| Debtors (amounts falling due within one year) | 4 | 10,740 | 10,740 |
| CREDITORS (amounts falling due within one year) | 5 | (181) | (181) |
| NET CURRENT ASSETS | | <u>10,559</u> | <u>10,559</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | <u>420,070</u> | <u>420,070</u> |
| CAPITAL AND RESERVES | | | |
| Called up share capital | 6 | 77,945 | 77,945 |
| Share premium account | 7 | 341,425 | 341,425 |
| Capital reserve | 7 | 700 | 700 |
| Profit and loss account | 7 | - | - |
| EQUITY SHAREHOLDERS' FUNDS | 7 | <u>420,070</u> | <u>420,070</u> |

These financial statements were approved by the Board of Directors on *29th April* 2004.

Signed on behalf of the Board of Directors



For and on behalf of RE Directors (No.1) Limited,
Director

The notes on pages 6 to 8 form part of these accounts.

NOTES TO THE ACCOUNTS - 31 DECEMBER 2003

1. Accounting policies

Compliance with accounting standards

These financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards.

Investments

Fixed asset investments are stated at cost less any provision for impairment in value.

Taxation

Deferred taxation is provided in full for timing differences using the liability method. Deferred tax assets are only recognised to the extent that they are considered recoverable in the short term. Deferred taxation balances are not discounted.

2. Profit and loss account

The Company received no income in the year and consequently made neither profit nor loss in the year. There were no recognised gains or losses, or movements in shareholders' funds, in either year. There was neither tax charge nor credit for the year (2002 : nil).

The audit fee is borne by another group company for the current and preceding year. The Directors received no emoluments (2002 : nil) in respect of their services to the Company. The Company has no employees (2002 : nil).

3. **Fixed asset investments**

| | Cost | Provisions | Net book value |
|--|---------|------------|----------------|
| | £'000 | £'000 | £'000 |
| At 1 January 2003 and 31 December 2003 | 415,292 | (5,781) | 409,511 |

Principal subsidiary undertakings

| <u>Name of company</u> | Country of incorporation and operation | Proportion of equity capital held | |
|--|--|--------------------------------------|----------|
| | | Direct | Indirect |
| <u>Publishing</u> | | | |
| ComputerWeekly.com Limited | Great Britain | | 87.5% |
| Medical Publications (Ireland) Limited | Ireland | | 100% |
| Propertylink Limited | Great Britain | 100% | |
| Quadrant Publishing Services Limited | Great Britain | | 100% |
| Reed Business Information Limited | Great Britain | 100% | |
| TotalJobs.com Limited | Great Britain | | 100% |
| <u>Dormant</u> | | | |
| Butterworth & Co (Publishers) Limited | Great Britain | 100% | |
| Datacross Services Limited | Great Britain | 100% | |
| Farmplan Group Limited | Great Britain | | 100% |
| Inquiry Management Systems Limited | Great Britain | 100% | |
| Mardev Limited | Great Britain | | 100% |
| Quadrant Subscription Services Limited | Great Britain | | 100% |
| Reed Information Services Limited | Great Britain | 100% | |
| The Estates Gazette, Limited | Great Britain | | 100% |
| The ICIS-LOR Group Limited | Great Britain | | 100% |

In the opinion of the Directors the value of the Company's interest in its subsidiaries is not less than the amount at which they are stated in the balance sheet.

4. **Debtors (amounts falling due within one year)**

| | <u>2003</u> £'000 | <u>2002</u> £'000 |
|--|----------------------|----------------------|
| Amounts owed by subsidiary undertaking | <u>10,740</u> | <u>10,740</u> |

5. **Creditors (amounts falling due within one year)**

| | <u>2003</u> £'000 | <u>2002</u> £'000 |
|--|----------------------|----------------------|
| Amounts owed to immediate parent undertaking | <u>181</u> | <u>181</u> |

6. Called up share capital

| | Authorised Number | £'000 | Called up, allotted and fully paid Number | £'000 |
|--|----------------------|--------|--|--------|
| <u>Ordinary shares of £1 each</u> | | | | |
| At 31 December 2002 and 31 December 2003 | 84,667,868 | 84,668 | 77,945,141 | 77,945 |

7. Shareholders' funds

| | Share capital £'000 | Share premium account £'000 | Capital reserve £'000 | Profit and loss account £'000 | Total £'000 |
|---|---------------------------|--------------------------------------|-----------------------------|--|----------------|
| At 1 January 2003 and 31 December 2003 | 77,945 | 341,425 | 700 | - | 420,070 |

8. Group accounts and cash flow statement

The Company is not required to prepare group accounts under Section 228 of the Companies Act 1985 because its parent undertaking is established under the law of a member State of the European Union and the parent undertaking prepares group accounts. Accordingly these financial statements present information about this company as an individual undertaking and not as a group. Similarly, a cash flow statement is not required under Financial Reporting Standard 1(Revised)(Cash Flow Statements).

9. Ultimate parent company

The Company's ultimate parent undertaking and controlling entity is Reed Elsevier Group plc, a company incorporated in Great Britain. The smallest and largest group into which the accounts of the Company for the year ended 31 December 2003 are consolidated is Reed Elsevier Group plc. Copies of the consolidated accounts of Reed Elsevier Group plc may be obtained from its registered office at 1-3 Strand, London WC2N 5JR. Reed Elsevier Group plc is jointly owned by Reed Elsevier PLC (a company incorporated in Great Britain) and Reed Elsevier NV (a company incorporated in the Netherlands).

10. Related party transactions

The Company has taken advantage of the exemption granted under paragraph 3(c) of Financial Reporting Standard 8 (Related Party Disclosures) not to disclose transactions with entities that are part of Reed Elsevier Group plc as the consolidated financial statements of Reed Elsevier Group plc, in which the Company is included, are publicly available.

The fellow associated undertakings of the Company's ultimate parent undertaking are Elsevier Reed Finance BV and its subsidiaries. Elsevier Reed Finance BV is incorporated in the Netherlands and is jointly owned by Reed Elsevier PLC and Reed Elsevier NV. The Elsevier Reed Finance BV group provides a range of treasury services to the Reed Elsevier Group plc group.