

COMPANY NUMBER: 125354

BUTTERWORTH & CO. (PUBLISHERS) LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

31 DECEMBER 1999



A12
COMPANIES HOUSE

AHD97U8U

0230
24/10/00

DIRECTORS' REPORT

The Directors present their annual report and the audited financial statements for the year ended 31 December 1999.

TRADING RESULTS AND DIVIDENDS

The profit before taxation for the year was £13,864,000 (31.12.98: £nil). An interim dividend of £15,003,000 was paid during the year (31.12.98: £nil) and as the Directors do not propose payment of any further dividends they propose that the excess of dividends over profit of £1,139,000 (31.12.98: £nil) be transferred to reserves.

PRINCIPAL ACTIVITIES

The Company 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.

YEAR 2000 AND EURO

The Reed Elsevier plc Year 2000 compliance programme has so far proved very effective with negligible disruption over the Millennium date change. The costs of implementing the Year 2000 compliance programme were borne by other group undertakings.

The Directors consider that the business of the Company will not be materially affected by the introduction of the euro by the 11 European countries participating in European Monetary Union (EMU).

DIRECTORS

The following persons have served as Directors since 1 January 1999:

J Broadfoot	
H J Bruggink	resigned 30.9.99
P.E.Cheeseman	
G R N Cusworth	resigned 15.9.99
H T Gieskes	resigned 14.3.00
M S Hamilton	resigned 17.3.00
A P Kinnear	
P J Kirk	resigned 21.1.00
W J Last	
M E Piper	
S J Stout	
J R Yates	

DIRECTORS' INTERESTS

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

DIRECTORS' REPORT CONTINUED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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;
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Company will continue in business.

Suitable accounting policies, consistently applied and supported by reasonable and prudent judgements and estimates, have been used in the preparation of the financial statements. Applicable accounting standards have been followed.

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.

AUDITORS

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

By Order of the Board
25, Victoria Street
London SW1H 0EX



.....
For and on behalf of RIB Secretaries Limited,
Secretary

10 October 2000

**AUDITORS' REPORT TO THE MEMBERS OF
BUTTERWORTH & CO. (PUBLISHERS) LIMITED**

We have audited the financial statements on pages 5 to 9 which have been prepared under the accounting policies set out on page 7.

Respective responsibilities of directors and auditors

As described on page 3, the company's directors are responsible for the preparation of financial statements, which are required to be prepared in accordance with applicable United Kingdom law and accounting standards. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

Basis of 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 1999 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Deloitte & Touche

Deloitte & Touche
Chartered Accountants and Registered Auditors
Hill House
1 Little New Street
London
EC4A 3TR

20 October 2000

PROFIT AND LOSS ACCOUNT **FOR THE YEAR ENDED 31 DECEMBER 1999**

	Note	Year ended 31 December 1999 £'000	Year ended 31 December 1998 £'000
Continuing operations:			
Investment income	2	13,864	-
OPERATING PROFIT AND PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	3	<u>13,864</u>	<u>-</u>
Tax on profit on ordinary activities	4	-	-
PROFIT AFTER TAXATION		<u>13,864</u>	<u>-</u>
Dividends paid	5	(15,003)	-
EXCESS OF DIVIDENDS OVER PROFIT	10	<u><u>(1,139)</u></u>	<u><u>-</u></u>

STATEMENT OF RETAINED RESERVES

Retained profit brought forward		1,160	1,160
Excess of dividends over profit		(1,139)	-
Retained profit carried forward	10	<u><u>21</u></u>	<u><u>1,160</u></u>

The Company had no recognised gains or losses this year or during the prior year other than those reflected in the profit and loss account. There is no difference between the results disclosed in the profit and loss account and the results on an unmodified historical cost basis.

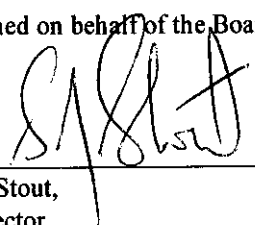
The notes on pages 7 to 9 form part of these accounts.

BALANCE SHEET AT 31 DECEMBER 1999

	Note	31.12.99 £'000	31.12.98 £'000
FIXED ASSET			
Investments	6	1,458	1,459
CURRENT ASSETS			
Debtors	7	-	353
CURRENT LIABILITIES (amounts falling due within one year)	8	(785)	-
NET CURRENT (LIABILITIES)/ASSETS		<u>(785)</u>	<u>353</u>
NET ASSETS		<u><u>673</u></u>	<u><u>1,812</u></u>
CAPITAL AND RESERVES			
Called up share capital	9	625	625
Other reserves	10	27	27
Profit and loss account	10	21	1,160
SHAREHOLDERS' FUNDS	10	<u><u>673</u></u>	<u><u>1,812</u></u>
Shareholders' funds are attributable to:			
Equity shareholders' funds		423	1,562
Non-equity shareholders' funds		<u>250</u>	<u>250</u>
		<u><u>673</u></u>	<u><u>1,812</u></u>

These financial statements were approved by the Board of Directors on 10 October 2000.

Signed on behalf of the Board of Directors


S J Stout,
Director

The notes on pages 7 to 9 form part of these accounts.

NOTES TO THE ACCOUNTS - 31 DECEMBER 1999

1. Accounting policies

Compliance with accounting standards

These accounts 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, where appropriate.

2. Investment income

	Year ended 31.12.99 £'000	Year ended 31.12.98 £'000
Dividends received from subsidiary undertakings	<u>13,864</u>	<u>-</u>

3. Operating profit and profit on ordinary activities before taxation

The Directors receive no emoluments in respect of their services to the Company. The auditors' remuneration is borne by another group company. The Company has no employees.

4. Tax on profit on ordinary activities

There is no tax charge in 1999 as the dividends received were were not subject to corporation tax.

5. Dividends paid

	Year ended 31.12.99 £'000	Year ended 31.12.98 £'000
Interim dividend at £40.01 per A & B Ordinary share (31.12.98 : £nil)	<u>15,003</u>	<u>-</u>

6. Fixed asset investments

Shares in group undertakings	Cost £'000	Provisions £'000	Net book value £'000
At 31 December 1998	1,569	(110)	1,459
Liquidation of subsidiary undertaking	(1)	-	(1)
At 31 December 1999	<u>1,568</u>	<u>(110)</u>	<u>1,458</u>

Principal subsidiary undertakings	Country of incorporation and operation	Proportion of equity capital held
Publishing		
Butterworth (Ireland) Limited	Eire	100% (direct)
Dormant		
Bowker-Saur Limited	England	100% (direct)
Butterworth (Europe) Limited	England	100% (direct)
Butterworth & Co. (Overseas), Limited	England	100% (direct)
Butterworth Law Publishers Limited	England	100% (direct)
Butterworth Tax Publishers Limited	England	100% (direct)
Butterworth (Telepublishing) Limited	England	100% (direct)
Malayan Law Journal Sdn Bhd	Malaysia	100% (indirect)
Professional Books Limited	England	100% (direct)
RR Bowker (UK) Limited	England	100% (direct)

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

7. Debtors

	31.12.99 £'000	31.12.98 £'000
Amounts owed by fellow subsidiary undertakings	<u>-</u>	<u>353</u>

8. Creditors (amounts falling due within one year)

	31.12.99 £'000	31.12.98 £'000
Amounts owed to fellow subsidiary undertakings	<u>785</u>	<u>-</u>

9. Called up share capital

At 31 December 1998 and 31 December 1999	Authorised		Issued and fully paid	
	Number	£	Number	£
Ordinary "A" shares of £1 each	125,000	125,000	125,000	125,000
Ordinary "B" shares of £1 each	250,000	250,000	250,000	250,000
4.5% Cumulative preference shares of £1 each	250,000	250,000	250,000	250,000
	<u>625,000</u>	<u>625,000</u>	<u>625,000</u>	<u>625,000</u>

10. Shareholders' funds

	Share capital	Other reserves	Profit and loss account	Shareholders' funds
	£'000	£'000	£'000	£'000
At 31 December 1998	625	27	1,160	1,812
Retained profit for the year	-	-	(1,139)	(1,139)
At 31 December 1999	<u>625</u>	<u>27</u>	<u>21</u>	<u>673</u>

11. 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).

12. Ultimate parent company

The Company's ultimate parent undertaking and controlling entity is Reed Elsevier plc, a company registered in England and Wales. Copies of the consolidated accounts of Reed Elsevier plc may be obtained from its registered office at 25 Victoria Street, London SW1H 0EX. Reed Elsevier plc is jointly owned by Reed International P.L.C. (a company registered in England and Wales) and Elsevier NV (a company incorporated in the Netherlands).

13. 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 the Reed Elsevier plc group as the consolidated financial statements of Reed Elsevier 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 jointly owned by Reed International P.L.C. and Elsevier NV. The Elsevier Reed Finance BV group provides a range of treasury services to the Reed Elsevier plc group.