

AMENDING

**COMPANY NUMBER: 1416732**

**GEORGE PHILIP HOLDINGS LIMITED**

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**

**31 DECEMBER 2000**



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## **DIRECTORS' REPORT**

The Directors present their annual report and the audited financial statements for the year ended 31 December 2000.

### **TRADING RESULTS AND DIVIDENDS**

The Company has not traded throughout the year and has made neither a profit nor a loss.

### **PRINCIPAL ACTIVITIES**

The Company did not trade in the year 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.

### **EURO**

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 Economic and Monetary Union (EMU).

### **DIRECTORS**

The following have served as Directors since 1 January 2000:

RIB Directors 1 Limited

RIB Directors 2 Limited

### **DIRECTORS' INTERESTS**

Neither 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.

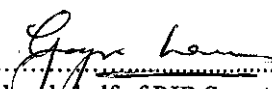
Suitable accounting policies, consistently applied and supported by reasonable and prudent judgements and estimates, have been used in the preparation of the financial statements. Applicable accounting standards have been followed.

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 SW1 0EX

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

22 October 2001

## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF GEORGE PHILIP HOLDINGS LIMITED

We have audited the financial statements of George Philip Holdings Ltd for the year ended 31 December 2000 which comprise the profit and loss account, the balance sheet, and the related notes 1 to 9. These financial statements have been prepared under the accounting policies set out therein.

### 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.

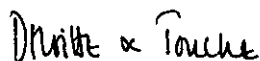
### Basis of audit opinion

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 2000 and of its result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



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

26 October 2001

**PROFIT AND LOSS ACCOUNT**  
**FOR THE YEAR ENDED 31 DECEMBER 2000**

	<u>Note</u>	<u>2000</u>	<u>1999</u>
		£	£
OPERATING PROFIT AND PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	2	-	-
Tax on profit on ordinary activities	3	-	(432,204)
LOSS ON ORDINARY ACTIVITIES AFTER TAXATION		<u>-</u>	<u>(432,204)</u>
Dividends paid		-	-
LOSS FOR THE FINANCIAL YEAR	6	<u><u>-</u></u>	<u><u>(432,204)</u></u>

**STATEMENT OF RETAINED RESERVES**

Retained profit brought forward		514,276	946,480
Loss for the financial year		-	(432,204)
Retained profit carried forward	6	<u><u>514,276</u></u>	<u><u>514,276</u></u>

The Company had no recognised gains or losses this year or during the prior year other than those reflected in the above profit and loss account. Consequently, a separate statement of total recognised gains and losses is not provided.

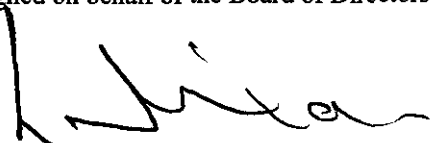
The notes on pages 7 and 8 form part of these accounts.

## BALANCE SHEET AT 31 DECEMBER 2000

	<u>Note</u>	<u>2000</u> £	<u>1999</u> £
CURRENT ASSETS			
Debtors	4	2,449,156	2,449,156
NET ASSETS		<u>2,449,156</u>	<u>2,449,156</u>
CAPITAL AND RESERVES			
Called up share capital	5	474,810	474,810
Share premium	6	1,460,070	1,460,070
Profit and loss account	6	514,276	514,276
SHAREHOLDERS' FUNDS	6	<u>2,449,156</u>	<u>2,449,156</u>
Shareholders' funds are attributable to:			
Equity shareholders		2,046,008	2,046,008
Non-equity shareholders		403,148	403,148
		<u>2,449,156</u>	<u>2,449,156</u>

These financial statements were approved by the Board of Directors on 22/10/2001.

Signed on behalf of the Board of Directors



For and on behalf of RBI Directors 1 Limited,  
Director

The notes on pages 7 and 8 form part of these accounts.

## NOTES TO THE ACCOUNTS - 31 DECEMBER 2000

### 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 assets investments are stated at cost less any provision for impairment in value, where appropriate.

### 2. 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.

### 3. Tax on profits on ordinary activities

	<u>2000</u>	<u>1999</u>
	£	£
UK Corporation tax:		
Prior years' taxation	-	432,204
	-	432,204
	<u>-</u>	<u>432,204</u>

The prior years' taxation charge arises on prior year exceptional disposals.

### 4. Debtors

	<u>2000</u>	<u>1999</u>
	£	£
Amounts owed by parent undertaking	2,449,156	2,449,156
	<u>2,449,156</u>	<u>2,449,156</u>

### 5. Called up share capital

<u>At 31 December 1999 and 31 December 2000</u>	<u>Authorised</u>		<u>Issued and fully paid</u>	
	Number	£	Number	£
Ordinary shares of 10p each	1,440,000	144,000	716,620	71,662
7% Cumulative preference shares of £1 each	500,000	500,000	350,000	350,000
6% Cumulative preference shares of 50p each	110,000	55,000	106,295	53,148
"A" Ordinary shares of 1p each	100,000	1,000	-	-
	<u>2,150,000</u>	<u>700,000</u>	<u>1,172,915</u>	<u>474,810</u>

**6. Shareholders' funds**

	Share capital	Share premium	Profit and loss account	Shareholders' funds
	£	£	£	£
At 1 January 2000 and 31 December 2000	474,810	1,460,070	514,276	2,449,156

**7. 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).

**8. 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 SW1 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).

**9. 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.