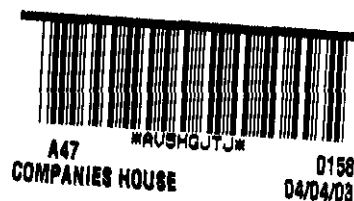


31 December 2002

LONDON RESIDENTIAL RESEARCH LIMITED

Company Registration No. 3082379

**REPORT AND
FINANCIAL STATEMENTS**



LONDON RESIDENTIAL RESEARCH LIMITED
Registered No. 3082379

REPORT AND FINANCIAL STATEMENTS : 2002

<u>CONTENTS</u>	<u>Page</u>
Directors' report	1
Statement of directors' responsibilities	2
Balance Sheet	3
Notes to the accounts	4

LONDON RESIDENTIAL RESEARCH LIMITED

Registered No. 3082379

DIRECTORS' REPORT

The directors present their report and financial statements for the year ended 31 December 2002.

ACTIVITIES AND FUTURE PROSPECTS

The company did not trade during the year and will remain dormant for the foreseeable future.

DIVIDENDS

The directors do not propose the payment of a dividend. (2001 : £nil)

DIRECTORS AND THEIR INTERESTS

The directors who served throughout the year ended 31 December 2002 were as follows :

K Jones

MV Kelsey

C B Pickering

Reed Business Magazines Limited (appointed 27 September 2002)

None of the directors held any interests at any time in the year in the share capital of the company or other group companies.

At no time during the year has any director had any material interest in a contract with the company.

AUDITORS

For the year ended 31 December 2002, the company was entitled to exemption under section 249AA(1) of the Companies Act 1985.

Members have not required the company to obtain an audit in accordance with section 249B(2) of the Companies Act 1985.

By order of the Board



IM Glencross
Secretary

31 March 2003

Quadrant House
The Quadrant
Sutton
Surrey SM2 5AS

LONDON REIDENTIAL RESEARCH LIMITED

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; and
- prepare the financial statements on the 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 the system of internal control, and for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

LONDON RESIDENTIAL RESEARCH LIMITED

BALANCE SHEET AS AT 31 DECEMBER 2002

	<u>Note</u>	<u>2002</u>	<u>2001</u>
		£	£
CURRENT ASSETS			
DEBTORS	(3)		
Amounts falling due after more than one year		<u>85,047</u>	<u>85,047</u>
TOTAL ASSETS		<u>85,047</u>	<u>85,047</u>
 CAPITAL AND RESERVES			
Called up share capital	(4)	46,667	46,667
Share premium		38,380	38,380
Profit and loss account		-	-
SHAREHOLDERS' FUNDS		<u>85,047</u>	<u>85,047</u>

For the year ended 31 December 2002, the company was entitled to exemption under section 249AA(1) of the Companies Act 1985.

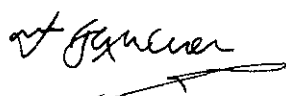
Members have not required the company to obtain an audit in accordance with section 249B(2) of the Companies Act 1985.

The directors acknowledge their responsibility for:

- (i) Ensuring the company keeps true accounting records which comply with section 221; and
- (ii) Preparing accounts which give a true and fair view of the state of affairs of the company as at the end of its financial year in accordance with section 226, and which otherwise comply with the requirements of the Companies Act relating to accounts, so far as applicable to the company.

Approved by the Board on 31 March 2003

Signed on behalf of the Board



IM Glencross
for Reed Business Magazines Limited
Director

Date 31 March 2003

The notes set out on page 4 form part of these accounts.

LONDON RESIDENTIAL RESEARCH LIMITED

NOTES TO THE ACCOUNTS, YEAR ENDED 31 DECEMBER 2002

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements are presented for the company as an individual undertaking. The company is not required to prepare group financial statements under Section 228 of the Companies Act 1985 because its parent company is established under the law of a member state of the European Union.

Under the provisions of Financial Reporting Standard 1 – “Cash Flow Statements”, the company has not prepared a cash flow statement because its ultimate parent company, Reed Elsevier Group plc, which is incorporated in Great Britain, has prepared consolidated accounts which include the accounts of the company for the year and which contains a cash flow statement.

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

2. INFORMATION REGARDING DIRECTORS & EMPLOYEES

None of the directors received any emoluments in respect of their services to the company during either the current or prior year.

The company had no employees throughout the current or prior year.

3. DEBTORS : AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	<u>2002</u>	<u>2001</u>
	£	£
Amounts owed by immediate parent undertaking	<u>85,047</u>	<u>85,047</u>

4. CALLED UP SHARE CAPITAL

	<u>2002</u>	<u>2001</u>
	£	£
Authorised		
100,000 ordinary shares of £1 each	<u>100,000</u>	<u>100,000</u>
Called up, allotted and fully paid		
46,667 ordinary shares of £1 each	<u>46,667</u>	<u>46,667</u>

5. RELATED PARTY TRANSACTIONS

The company has taken advantage of the provision under Financial Reporting Standard 8 “Related Party Transactions” not to disclose transactions with other group companies and investees of the group qualifying as related parties.

6. PARENT COMPANY

The ultimate parent company and ultimate controlling party is Reed Elsevier Group plc.

The parent company of the largest and smallest group for which group financial statements are prepared and of which the company is a member is Reed Elsevier Group plc which is incorporated in Great Britain. Copies of the consolidated financial statements may be obtained from 25 Victoria Street, London SW1H 0EX.

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).