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COMPANY NUMBER: ~~9234~~

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**IWPM (HOLDINGS) LIMITED**

**REPORTS AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2006**

MONDAY



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**Directors' report and financial statements**  
**for the year ended 31 December 2006**

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## **DIRECTORS AND OTHER INFORMATION**

Directors	Mr Leshe Dixon Mr Brendan Curtin
Secretary	RE Secretaries Limited C/o Reed Elsevier Group plc 1-3 Strand London WC2N 5JR England
Auditors	Deloitte & Touche Chartered Accountants Deloitte & Touche House Charlotte Quay Limerick
Solicitors	Arthur Cox Arthur Cox Building Earlsfort Centre Earlsfort Terrace Dublin 2
Registered Office	Arthur Cox Building Earlsfort Centre Earlsfort Terrace Dublin 2

## **REPORT OF THE DIRECTORS**

The directors present their annual report and the audited financial statements of the company for the year ended 31 December 2006

### **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 of Reed Elsevier Group plc throughout the year.

### **RESULTS AND DIVIDENDS**

The Company has not traded throughout the year. The profit before taxation for the year was €10,488 (2005: €12,877). No dividends were paid (2005: £nil) during the year and as the directors do not recommend payment of any dividends, they propose that the retained profit of €10,488 (2005: €12,877) be taken to reserves.

### **RISKS AND UNCERTAINTIES**

Due to the fact the company has not traded during the year and has no plans to commence trading within the foreseeable future, the company does not consider it necessary to adopt a financial risks policy as such information is not considered material for the assessment of the assets, liabilities, financial position and profit or loss of the company.

### **DIRECTORS**

The present membership of the Board is set out on page 2. All directors served throughout the year.

### **DIRECTORS' AND SECRETARY'S INTERESTS IN SHARES OF THE COMPANY**

No director or secretary was beneficially interested at any time in the share capital of the company or other group companies.

### **BOOKS OF ACCOUNT**

To ensure that proper books and accounting records are kept in accordance with Section 202 Companies Act, 1990, the Directors have employed appropriately qualified accounting personnel and have maintained computerised accounting systems. The books of accounts are located at Quadrant House, The Quadrant, Sutton, Surrey, SM2 5AS, Great Britain. In accordance with Section 202 of the Companies Act 1990 sufficient books of account are also kept in the state to disclose with reasonable accuracy, the financial position of the company at intervals not exceeding six months.


### **EVENTS SINCE THE YEAR END**

There have been no significant events since the year end which would require adjustment to these financial statements.

### **AUDITORS**

The auditors, Deloitte & Touche, Chartered Accountants have signified their willingness to continue in office in accordance with Section 160 (2) of the Companies Act, 1963.

Signed on behalf of the Board



L Dixon,  
Director

15 October, 2007



B Curtin,  
Director

15 October, 2007

## **STATEMENT OF DIRECTORS' RESPONSIBILITIES**

Irish 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 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 books of account which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements are prepared in accordance with accounting standards generally accepted in Ireland and comply with Irish statute comprising the Companies Acts, 1963 to 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.

## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF IWPM (HOLDINGS) LIMITED

We have audited the financial statements of IWPM (Holdings) Limited for the year ended 31 December 2006 which comprise the Statement of Accounting Policies, 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 in the Statement of Accounting Policies.

This report is made solely to the company's members, as a body, in accordance with Section 193 of the Companies Act 1990. 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**

The directors are responsible for preparing the financial statements, as set out in the Statement of Directors' Responsibilities in accordance with applicable law and accounting standards issued by the Accounting Standards Board and published by the Institute of Chartered Accountants in Ireland (Generally Accepted Accounting Practice in Ireland).

Our responsibility, as independent auditors, is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view, in accordance with Generally Accepted Accounting Practice in Ireland, and are properly prepared in accordance with Irish statute comprising the Companies Acts, 1963 to 2006. We also report to you whether in our opinion proper books of account have been kept by the company, whether, at the balance sheet date, there exists a financial situation requiring the convening of an extraordinary general meeting of the company, and whether the information given in the directors' report is consistent with the financial statements. In addition, we state whether we have obtained all the information and explanations necessary for the purposes of our audit and whether the company's balance sheet and profit and loss account are in agreement with the books of account.

We also report to you if, in our opinion, any information specified by law regarding directors' remuneration and directors' transactions is not disclosed and, where practicable, include such information in our report.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatement within it. Our responsibilities do not extend to other information.

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## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF IWPM (HOLDINGS) LIMITED

### Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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 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, in accordance with Generally Accepted Accounting Practice in Ireland, of the state of affairs of the company as at 31 December 2006 and of its profit for the year then ended, and
- have been properly prepared in accordance with the Companies Acts, 1963 to 2006.

We have obtained all the information and explanations we considered necessary for the purposes of our audit. In our opinion proper books of account have been kept by the company. The company's balance sheet and its profit and loss account are in agreement with the books of account.

In our opinion the information given in the Directors' Report is consistent with the financial statements.

The net assets of the company, as stated in the balance sheet, are more than half the amount of its called-up share capital and, in our opinion, on that basis there did not exist at 31 December 2006 a financial situation which, under Section 40(1) of the Companies (Amendment) Act, 1983, would require the convening of an extraordinary general meeting of the company.

**Chartered Accountants and Registered Auditors  
Limerick**

**Date: 15 October, 2007**

## **STATEMENT OF ACCOUNTING POLICIES**

The significant accounting policies adopted by the company are as follows

### **ACCOUNTING CONVENTION**

The financial statements are prepared under the historical cost convention

### **BASIS OF PREPARATION**

The financial statements have been prepared in accordance with accounting standard generally accepted in Ireland and Irish statute comprising the Companies Acts, 1963 to 2006

### **TRANSLATION OF OVERSEAS CURRENCIES**

Assets and liabilities denominated in currencies other than the Euro are translated at the exchange rates ruling at the balance sheet date and resulting gains or losses are taken to the profit and loss account

### **TAXATION**

The charge for taxation is based on the profit for the year. Deferred tax is calculated on the differences between the company's taxable profits and the results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements



**PROFIT AND LOSS ACCOUNT**  
**FOR THE YEAR ENDED 31 DECEMBER 2006**


	<u>Note</u>	2006 Euro €	2005 Euro €
Other operating income		10,488	12,877
 PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	 1	 <u>10,488</u>	 <u>12,877</u>
Tax on profit on ordinary activities	2	-	-
 PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		 <u><u>10,488</u></u>	 <u><u>12,877</u></u>

There were no recognised gains or losses other than those recognised in the profit and loss account. The above all result from continuing operations.

The financial statements were approved by the Board of Directors on 15 October, 2007 and signed on its behalf by



I. Dixon,  
Director

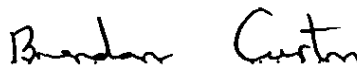
  
B Curtin,  
Director

**BALANCE SHEET AT 31 DECEMBER 2006**

	<u>Note</u>	2006 Euro €	2005 Euro €
<b>CURRENT ASSETS</b>			
Debtors	3	641,735	627,715
<b>CREDITORS</b>			
(amounts falling due within one year)	4	(196,270)	(192,738)
<b>NET CURRENT ASSETS</b>		<u>445,465</u>	<u>434,977</u>
<b>NET ASSETS</b>		<u>445,465</u>	<u>434,977</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	5	478,720	478,720
Share premium account	6	15,776	15,776
Profit and loss account	6	(49,031)	(59,519)
<b>SHAREHOLDERS' FUNDS - All equity</b>	6	<u>445,465</u>	<u>434,977</u>
Attributable to equity shareholders		401,015	390,527
Attributable to non-equity shareholders		44,450	44,450
	6	<u>445,465</u>	<u>434,977</u>

These financial statements were approved by the Board of Directors on 15 October, 2007 and signed on its behalf by

  
L Dixon,  
Director

  
B Curtin,  
Director

## **NOTES TO THE FINANCIAL STATEMENTS** **FOR THE YEAR ENDED 31 DECEMBER 2006**

### **1. Profit on ordinary activities before taxation**

	2006 Euro €	2005 Euro €
Profit on ordinary activities before taxation is stated after charging/(crediting)		
Foreign exchange gains	(10,488)	(12,877)
Directors emoluments	-	-
Auditors remuneration	-	-

The directors received no emoluments in respect of their services to the company (2005 £nil) The auditors' remuneration is borne by another group company The company has no employees (2005 nil)

### **2. Tax on profit on ordinary activities**

As the Company is UK tax resident, the standard rate of corporation tax for the year and prior year is 30%, based on the UK standard rate of corporation tax A reconciliation of the notional current tax charge based on the standard rate to the actual current tax charge is as follows

	2006 Euro €	2005 Euro €
Profit on ordinary activities before taxation	<u>10,488</u>	<u>12,877</u>
Tax charge at the standard rate	3,146	3,863
Non taxable income	<u>(3,146)</u>	<u>(3,863)</u>
Current tax charge for the year	<u>-</u>	<u>-</u>

The Reed Elsevier Group plc group of companies has agreed that to the extent that there are any transfer pricing adjustments relating to intercompany balances between group companies in the UK, any resulting income will be sheltered by group relief received for £nil consideration

### **3. Debtors**

	2006 Euro €	2005 Euro €
Amounts owed by intermediate holding company (note 7)	641,735	627,715
	<u>641,735</u>	<u>627,715</u>

### **4. Creditors (amounts falling due within one year)**

	2006 Euro €	2005 Euro €
Amounts owed to immediate holding company (note 7)	196,270	191,982
Taxation	<u>-</u>	<u>756</u>
	<u>196,270</u>	<u>192,738</u>

## **NOTES TO THE FINANCIAL STATEMENTS** **FOR THE YEAR ENDED 31 DECEMBER 2006**

### **5. Called up share capital**

	Authorised Number	Euro €	Called up, allotted and fully paid Number	Euro €
<u>At 31 December 2005 and 31 December 2006</u>				
Ordinary shares of 32c each	1,181,454	378,065	678,546	217,135
Deferred ordinary shares of 32c each	678,546	217,135	678,546	217,135
6% Cumulative preference shares of 127c each	35,000	44,450	35,000	44,450
	<u>1,895,000</u>	<u>639,650</u>	<u>1,392,092</u>	<u>478,720</u>

The preference shareholders have waived their rights to the 6% preference dividends until further notice

### **6. Reconciliation of movement in shareholders' funds**

	Share capital Euro €	Share premium account Euro €	Profit and loss account Euro €	Total Euro €
At 1 January 2006	478,720	15,776	(59,519)	434,977
Retained profit for the year	-	-	10,488	10,488
At 31 December 2006	<u>478,720</u>	<u>15,776</u>	<u>(49,031)</u>	<u>445,465</u>

### **7. Ultimate parent company**

The company's immediate parent is Reed Overseas Corporation Limited, a company incorporated in Great Britain. 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 2006 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).

### **8. 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 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.

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2006**

9. **Cash flow statement**

The Company meets the size criteria for a small company set by the Companies (Amendment) Act, 1986 and therefore in accordance with Financial Reporting Standard 1 (Revised)(Cash Flow Statements) it has not prepared a Cash flow statement