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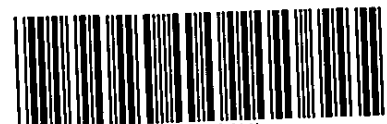
**Company Registration No. FC014766**

**Butterworth (Ireland) Limited**

**Report and Financial Statements**

**31 December 2009**

WEDNESDAY



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# **Butterworth (Ireland) Limited**

## **Report and financial statements 2009**

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# **Butterworth (Ireland) Limited**

## **Officers and professional advisers**

### **Directors**

B Curtin

A Sage

### **Secretary**

Bradwell Limited  
Arthur Cox Building  
Earlsfort Centre  
Earlsfort Terrace  
Dublin 2

### **Registered Office**

Arthur Cox Building  
Earlsfort Centre  
Earlsfort Terrace  
Dublin 2

### **Solicitors**

A&L Goodbody  
International Financial Services Centre  
North Wall Quay  
Dublin 1

### **Auditors**

Deloitte & Touche  
Chartered Accountants  
Deloitte & Touche House  
Charlotte Quay  
Limerick  
Ireland

# **Butterworth (Ireland) Limited**

## **Directors' report**

The directors present their annual report and the audited financial statements for the year ended 31 December 2009

### **Business review and future developments**

Following the sale of the company's hard copy publications to Tottel Publishing Limited in October 2004, turnover comprises sales of online services only. In order to maintain liquidity to ensure that sufficient funds are available for ongoing operations and future developments, the company relies on support from its parent company. The directors of the business do not consider that the company has any additional risks and uncertainties as it is supported by its parent company.

### **Results and dividends**

The Profit after taxation for the year was STG£90,314 (2008: loss STG£102,469) and has been taken to reserves. The directors do not recommend the payment of a dividend (2008: £nil). The profit recorded in the current year is due to a one-off credit for a rebate received from another group company.

### **Directors**

The present membership of the Board that served throughout the year, except as noted, is set out on page 1. The directors are not required to retire by rotation.

### **Directors' and secretary's interests in shares of the company**

No director or secretary who held office at 31 December 2009 was beneficially interested at any time in the share capital of the company or the ultimate parent company.

### **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 appropriate computerised accounting systems. The books of account are located at Tolley House, 2 Addiscombe Road, Croydon, Surrey, England.

In accordance with Section 202 of the Companies Act 1990, sufficient books of account are also maintained 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.

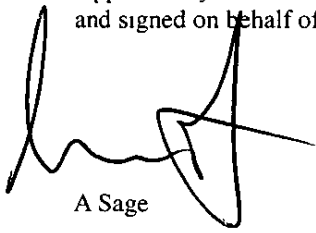
## Butterworth (Ireland) Limited

### Directors' report

#### Auditors

The auditors, Deloitte & Touche, Chartered Accountants, continue in office in accordance with Section 160(2) of the Companies Act, 1963

Approved by the Board of Directors on 29 September 2010  
and signed on behalf of the Board



A Sage  
Directors



B Curtin

## **Butterworth (Ireland) Limited**

### **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 2009. 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 AUDITOR'S REPORT TO THE MEMBERS OF BUTTERWORTH (IRELAND) LIMITED

We have audited the financial statements of Butterworth (Ireland) Limited for the year ended 31 December 2009 which comprise the Statement of Accounting Policies, the Profit and Loss Account, the Balance Sheet and the related notes 1 to 15. 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 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 auditor's 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 auditor, 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 2009. 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 information and explanations necessary for the purpose 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 AUDITOR'S REPORT TO THE MEMBERS OF BUTTERWORTH (IRELAND) 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 judgments 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**

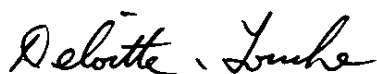
In our opinion the financial statements

- 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 2009 and of the profit for the year then ended, and
- have been properly prepared in accordance with the Companies Acts, 1963 to 2009.

We have obtained all the information and explanations we considered necessary for the purpose of our audit. In our opinion proper books of account have been kept by the company. The company's balance sheet and 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 liabilities of the company exceed the assets of the company, as stated in the balance sheet and, in our opinion, on that basis there did exist at 31 December 2009 a financial situation which, under Section 40(1) of the Companies (Amendment) Act, 1983, may require the convening of an extraordinary general meeting of the company.



Chartered Accountants and Registered Auditors  
Limerick

Date 30 September, 2010



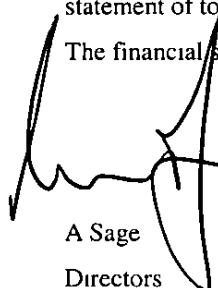

## Butterworth (Ireland) Limited

### Profit and loss account Year ended 31 December 2009

	Notes	2009 STG£	2008 STG£
Turnover	3	1,672	19,336
Administration expenses		88,642	(121,805)
<b>Operating profit and loss on ordinary activities before taxation</b>	4, 5	90,314	(102,469)
Taxation on profit	6	-	-
<b>Profit for the financial year</b>	10	90,314	(102,469)

There were no recognised gains or losses other than those recognised in the profit and loss account and accordingly no statement of total recognised gains and losses is presented. The above all result from continuing activities.

The financial statements were approved by the Board of Directors on 29 September 2010 and signed on its behalf by

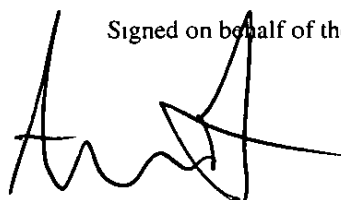
   
A Sage B Curtin  
Directors

# Butterworth (Ireland) Limited

## Balance sheet 31 December 2009

	Notes	2009 STG£	2008 STG£
<b>Current assets</b>			
Stock		155	-
Debtors	7	655,653	20,161
Cash at bank and in hand		92,152	414,690
		<u>747,960</u>	<u>434,851</u>
<b>Creditors: amounts falling due within one year</b>	8	(1,216,704)	(993,909)
<b>Net liabilities</b>		<u>(468,744)</u>	<u>(559,058)</u>
<b>Capital and reserves</b>			
Called up share capital	9	924	924
Profit and loss account	10	(469,668)	(559,982)
<b>Shareholders' deficit</b>	11	<u>(468,744)</u>	<u>(559,058)</u>

The financial statements were approved by the Board of Directors on ~~29 September 2010~~ and signed on its behalf by  
Signed on behalf of the Board of Directors



A Sage  
Directors



B Curtin

# **Butterworth (Ireland) Limited**

## **Notes to the financial statements Year ended 31 December 2009**

### **1. Accounting policies**

The financial statements are prepared under the historical cost convention

#### **Basis of preparation**

The financial statements have been prepared in accordance with accounting standards generally accepted in Ireland and Irish statute comprising the Companies Acts, 1963 to 2009 and have been applied consistently in the current and preceding periods

#### **Translation of overseas currencies**

Assets and liabilities denominated in currencies other than Sterling 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. Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction

#### **Pension costs**

Some of the employees are members of the Irish-based Irish Life Personal Savings Plan which is a defined contribution plan. Costs are charged to the profit and loss account when they fall due

#### **Taxation**

Current taxation is provided at amounts expected to be paid or recovered using the tax rates and laws that have been enacted or substantively enacted at the balance sheet date

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. Current Tax, including Irish tax and foreign tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date

### **2. Going concern**

The company incurred a profit of £90,314 for the year and as at 31 December 2009, had net liabilities of £468,744. The company has obtained written confirmation from the company's parent company that it will continue to provide financial support, as required, for a period of not less than twelve months from the date of approval of the financial statements to enable the company to meet its liabilities as they fall due

On this basis the directors believe the company will continue as a going concern. Accordingly, these financial statements do not include any adjustments to the carrying amount and classification of assets and liabilities that would arise if the company was unable to continue as a going concern

### **3. Turnover**

Turnover represents the net value of goods invoiced during the year, exclusive of VAT. All turnover is in a single class of business and geographical area arising from the company's principal activities of selling Irish law publications in Ireland

## Butterworth (Ireland) Limited

### Notes to the financial statements Year ended 31 December 2009

#### 4. Employees and remuneration

Staff costs consist of

	2009 No.	2008 No.
Average number of persons employed		
Administration/editorial staff	7	4
	2009 STG£	2008 STG£
Staff costs		
Wages and Salaries	510,825	357,701
Social Security Costs	50,140	35,529
	560,965	393,230
Pension costs	17,651	8,946

None of the directors received any emoluments in respect of services to the company during the year (2008 nil). Four employees were members of the Ireland-based pension plans. The pension schemes are defined contribution plans with Irish Life.

#### 5. Operating Profit

	2009 STG£	2008 STG£
Operating profit is stated after (crediting) / charging		
Salary Recharges to Group Companies	(560,965)	(393,230)
Management charges from group companies	37,176	21,229

Fees payable to the Company's auditors for the audit of the Company's annual accounts of £1,000 (2008 £1,000) is borne and not recharged by the company's immediate parent undertaking, Reed Elsevier (UK) Limited in both the current and preceding year. The profit recorded in the current year is due to a one-off credit for a rebate of rent and rates from another group company.

## Butterworth (Ireland) Limited

### Notes to the financial statements Year ended 31 December 2009

#### 6. Tax on loss

	2009 STG£	2008 STG£
Corporation tax	-	-
	-	-
Factors affecting tax credit for the year		
Profit / (Loss) before tax	90,314	(102,469)
Profit / (Loss) on ordinary activities before tax multiplied by the standard rate of corporation tax in the Republic of Ireland of 12.5%	11,289	(12,809)
Effects of		
Tax Losses utilised	(11,289)	-
Tax losses not utilised	-	12,809
Tax credit for the year	-	-

A deferred tax asset has not been recognised in respect of timing differences relating to tax losses, as there is insufficient evidence that the asset will be recovered. The amount of the asset not recognised is £93,003 (2008: £83,876). The asset would be recovered if there are suitable taxable profits in the future against which the losses could be utilised.

#### 7. Debtors

	2009 STG£	2008 STG£
Trade debtors due within one year	414	12,514
VAT	9,470	3,218
Other debtors	2,229	3,251
Amounts due by fellow group undertakings	643,540	1,178
	655,653	20,161

The amounts owed by fellow group undertakings are non-interest bearing, unsecured and have no fixed terms of repayment.

## Butterworth (Ireland) Limited

### Notes to the financial statements Year ended 31 December 2009

#### 8. Creditors: amounts falling due within one year

	2009 STG£	2008 STG£
Amounts owed to fellow group undertakings	1,193,598	977,192
Other taxation and social security	20,756	12,468
Other accruals and deferred income	1,873	1,081
Other creditors	477	3,168
	<u>1,216,704</u>	<u>993,909</u>

The amounts owed to fellow group undertakings are non-interest bearing, unsecured and have no fixed terms of repayment

#### 9. Called up share capital

	2009 STG£	2008 STG£
<b>Authorised</b>		
1,000 "A" ordinary shares of €1 2697 each	840	840
10,000 "B" ordinary shares of €1 2697 each	8403	8,403
	<u>9,243</u>	<u>9,243</u>
<b>Called up, allotted and fully paid</b>		
100 "A" ordinary shares of €1 2697 each equity	84	84
1,000 "B" ordinary shares of €1 2697 each equity	840	840
	<u>924</u>	<u>924</u>

#### 10. Profit and loss account

	2009 STG£	2008 STG£
Profit / (Loss) for the year	90,314	(102,469)
Opening profit and loss account	(559,982)	(457,513)
	<u>(469,668)</u>	<u>(559,982)</u>

## Butterworth (Ireland) Limited

### Notes to the financial statements Year ended 31 December 2009

#### 11. Reconciliation of movements in shareholders' deficit

	2009 STG£	2008 STG£
Profit/(Loss) for the year	90,314	(102,469)
Opening shareholders' deficit	(559,058)	(456,589)
Closing shareholders' deficit	(468,744)	(559,058)

#### 12. 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 financial statements of the Company for the year ended 31 December 2009 are consolidated is Reed Elsevier Group plc. Copies of the consolidated financial statements 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).

#### 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 Reed Elsevier Group plc as the consolidated financial statements of Reed Elsevier Group plc, in which the company is included, are publicly available.

#### 14. Cash flow statement

The company meets the 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.

#### 15. Pension

The company operates a defined contribution pension scheme for the benefit of employees. The company's total pension cost for the year ended 31 December 2009 was £ 17,651 (2008 £8,946). An amount of £1,735 (2008 £1,414) is included in creditors falling due within one year for contributions due but not paid to the scheme at year end.