COMPANY NUMBER: 2746621

REED ELSEVIER (UK) LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

31 DECEMBER 2000



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 profit before taxation for the year was £83,639,000 (1999 - £46,734,000) and the profit after tax was £75,125,000 (1999 - £34,682,000). Dividends paid were £400,000,000 (1999 - £400,000,000) and as the Directors do not propose payment of a further dividend for the year, the retained loss of £324,875,000 (1999 loss - £365,318,000) has been transferred from reserves.

PRINCIPAL ACTIVITIES

The Company's principal activities include providing services to its subsidiaries and other companies in the Reed Elsevier plc group, and professional publishing under the *Butterworths* and *Tolley's* imprints.

The Company was a wholly owned subsidiary throughout the year and accordingly group accounts have not been prepared.

REVIEW OF OPERATIONS

Butterworths provides legal, tax and regulatory materials in loose-leaf, book, CD-ROM and online formats. Among its most widely known publications are: *Halsbury's Laws of England, The Encyclopaedia of Forms and Precedents, Simon's Taxes* and *Butterworths Company Law Service*. *Butterworth Lexis Direct,* the legal and tax online service, continued to add materials and add to its customer services base.

Turnover was up 16% and gross profit up 11% reflecting good growth. The *Butterworths Lexis Direct* service has maintained a leadership position with expanded content and new functionalities. During the year, customised services were added in specialist fields, such as Human Rights Direct and EU Direct, and, in partnership with a leading legal training firm, CPD Direct was launched, providing online training and professional development. The outlook for the professional publishing activities of the Company remains positive.

In January 2000 the Company acquired Eclipse Group Limited, the leading publisher of employment law and related fields which is an important growing area of law.

The Company has continued to provide services to subsidiary undertakings and other companies generating income of £11,401,000 (1999 - £12,775,000).

The Company has continued on its major process of reorganisation. Costs amounting to £3,859,000 (1999 - £7,872,000) have been provided during the year and have been included in operating exceptional items (note 6). The Directors anticipate that this reorganisation process will improve the profitability of the Company.

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 Monetary Union (EMU).

DIRECTORS' REPORT CONTINUED

EMPLOYEE RELATIONS

The Company is fully committed to the concept of employee involvement and participation. Where appropriate, major announcements are communicated to employees through internal briefings. Information on performance, development, organisational changes and other matters of interest is communicated through briefings and electronic bulletins. The Reed Elsevier plc SAYE Share Option Scheme enables employees to participate in the future prosperity of the Company. The Company is an equal opportunity employer. It does not discriminate on the grounds of race, sex, religion, physical handicap or marital status in its recruitment or employment policies. All judgements about people for the purpose of recruitment, development and promotion are made solely on the basis of their ability and potential in relation to the needs of the job.

DISABLED PERSONS

It is the policy of the Company to consider the skills and aptitudes of disabled persons fully and fairly at all times in recruitment, career development, training and promotion. In pursuing this policy and having special concern for employees who become disabled, all practical measures are taken to ensure that disabled persons are placed in jobs suited to their individual circumstances.

DONATIONS

Donations made during the year for charitable purposes in the UK amounted to £10,000 (1999 - £18,000). There were no donations for political purposes (1999 - £nil).

DIRECTORS

The following persons have served as Directors of the Company since 1 January 2000:

M H Armour	appointed 30 June 2000	
S J Cowden	appointed 5 February 2001	
C H L Davis		resigned 30 June 2000
G Howe		resigned 30 June 2000
T A Jenkins		
K Jones		resigned 30 June 2000
A J Joseph		
J N Philbin		resigned 30 June 2000
W M St J Radcliffe	appointed 30 June 2000	resigned 30 March 2001
M J Rusbridge		resigned 30 June 2000
S J Stout		resigned 30 June 2000
P Virik		resigned 30 June 2000
R H M Yates		resigned 28 April 2000

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; and
- 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.

SUPPLIER PAYMENT POLICY

The Company agrees terms and conditions for its business transactions and suppliers, and payment is made on these terms. The estimated average time taken to pay suppliers was between 30 and 45 days.

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

L Dixon,
Secretary

9 OCTOBER 2001

AUDITORS' REPORT TO THE MEMBERS OF REED ELSEVIER (UK) LIMITED

We have audited the financial statements on pages 5 to 18 which have been prepared under the accounting policies set out on pages 7 and 8.

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 2000 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

9 October 2001

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2000

	Note	2000	1999
		£'000	£'000
TURNOVER			
Continuing operations before acquisitions		136,991	118,181
Acquisitions		416	-
Continuing operations	2	137,407	118,181
Cost of sales	3	(49,088)	(38,692)
GROSS PROFIT		88,319	79,489
Distribution costs	3	(13,775)	(12,281)
Administrative expenses (including amortisation of intangible assets and goodwill)	3	(77,367)	(69,614)
Other income	4	86,401	28,490
OPERATING PROFIT			
Continuing operations before acquisitions		84,106	26,084
Acquisitions		(528)	-
Continuing operations	5	83,578	26,084
Interest receivable and similar income	7	14,589	26,927
Amounts written off investments	16	(6,739)	-
Interest payable and similar charges	8	(7,789)	(6,277)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		83,639	46,734
Tax on profit on ordinary activities	9	(8,514)	(12,052)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		75,125	34,682
Dividends paid	10	(400,000)	(400,000)
AMOUNT TRANSFERRED FROM RESERVES	24	(324,875)	(365,318)

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 presented.

The notes on pages 7 to 18 form part of these accounts.

(Company No 2746621)

BALANCE SHEET AT 31 DECEMBER 2000

	Note	2000	1999
		£'000	£'000
FIXED ASSETS			
Intangible assets and goodwill	14	237,344	251,730
Tangible assets	15	8,301	8,192
Investments in subsidiary undertakings	16	2,388,570	2,354,443
Other investments	17	2,515	-
		2,636,730	2,614,365
CURRENT ASSETS			
Stocks	18	6,173	6,161
Debtors	19	270,898	337,824
Cash at bank and in hand		202,506	140,704
		479,577	484,689
CREDITORS			
(amounts falling due within one year)	20	(1,732,612)	(1,410,484)
NET CURRENT LIABILITIES		(1,253,035)	(925,795)
TOTAL ASSETS LESS CURRENT LIABILITIES		1,383,695	1,688,570
CREDITORS FALLING DUE AFTER ONE YEAR	21	(120,000)	(100,000)
NET ASSETS		1,263,695	1,588,570
Called up share capital	23	1,161	1,161
Share premium account	24	383,899	383,899
Profit and loss account	24	878,635	1,203,510
EQUITY SHAREHOLDERS' FUNDS	24	1,263,695	1,588,570

These financial statements were approved by the Board of Directors on 9 OCTOBER 2001.

Signed on behalf of the Board of Directors

M H Armour,
Director

The notes on pages 7 to 18 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.

Turnover
Turnover represents the invoiced value of goods supplied, excluding VAT.

Translation of overseas currencies into Sterling
Profit and loss items are translated at the exchange rate ruling at transaction date. Monetary assets and liabilities are translated at rates ruling at the balance sheet date or contracted rates where applicable. The currency gains or losses on trading items are taken to the profit and loss account.

Goodwill and intangible assets
On the acquisition of a business, the purchase consideration is allocated between the underlying net tangible and intangible assets on a fair value basis, with any excess purchase consideration representing goodwill. Acquired goodwill and intangible assets are capitalised and amortised systematically over their estimated useful lives, up to a maximum period of 20 years. Intangible assets comprise publishing rights and titles, databases and other intangible assets, which are stated at fair value on acquisition and are not subsequently revalued.

Tangible fixed assets
Depreciation is provided on cost at the following annual rates on a straight-line basis intended to write off the assets over their estimated useful lives.

Freehold buildings	2%
Plant, machinery and office equipment	20%
Motor vehicles	25%
Furniture and fittings	15%

Short leasehold property and improvements are amortised over the period of the lease. No depreciation is provided on freehold land.

Investments
Fixed asset investments are stated at cost less any provision for impairment in value, where appropriate.

Debtors
Debtors are stated net of provisions for doubtful debts, returns and other allowances

Stocks
Stocks and work in progress are stated at the lower of cost, including attributable overheads, and estimated net realisable value.

1. Accounting policies (continued)

Deferred taxation

Deferred tax is provided, using the liability method, to take account of timing differences between the treatment of items for taxation and accounting purposes where it is considered that the liability or asset will crystallise.

Pensions

The Reed Elsevier Pension Scheme (a defined benefit scheme) is administered on a Reed Elsevier plc group basis and total contributions are assessed by a qualified actuary, based on the cost of providing pensions across all participating Reed Elsevier plc group companies. Costs are not determined separately for each participating company, hence contributions are charged to the profit and loss account in the period on the basis of amounts payable.

Leases

Operating lease charges are recognised in the profit and loss account in the year in which they are incurred.

2. Turnover

Analysis of sales by business segment:	2000 £'000	1999 £'000
Legal	137,407	118,181
Analysis of sales by geographic market:		
Continuing operations:		
United Kingdom	122,206	104,573
North America	2,236	2,196
Europe	6,434	4,296
Rest of the world	6,531	7,116
	137,407	118,181

3. Net operating expenses

	2000 £'000	1999 £'000
Cost of sales:		
Continuing operations before acquisitions	48,243	38,692
Acquisitions	845	-
Continuing operations	49,088	38,692
Distribution costs:		
Continuing operations	13,775	12,281
Administrative expenses (including amortisation of intangible assets and goodwill):		
Continuing operations before acquisitions	77,268	69,614
Acquisitions	99	-
Continuing operations	77,367	69,614

Administrative expenses include operating exceptional items detailed in note 6.

4. Other income

Other income comprises:	2000 £'000	1999 £'000
Continuing operations:		
Dividends received from subsidiary undertakings	75,000	15,715
Service fee income	11,401	12,775
	86,401	28,490

Of the £15,764,000 dividends received from subsidiary undertakings in 1999, £49,000 was credited to investments and £15,715,000 was included in other income.

5. Operating profit

Operating profit is stated after charging:

	2000 £'000	1999 £'000
Depreciation of tangible fixed assets	3,785	3,455
Amortisation of intangible assets and goodwill	16,363	16,492
Auditors' remuneration - audit	66	85
Auditors' remuneration - other services	290	161
Exchange losses	66	267
Rental under operating leases:		
Other operating lease rentals	5,315	4,651
Operating exceptional charges (note 6)	15,764	9,332

Further details of staff costs appear in note 11.

6. Exceptional items

Operating exceptional items	2000 £'000	1999 £'000
Reorganisation costs	(3,859)	(7,872)
Provisions against amounts owed by subsidiary undertakings	(7,798)	-
Acquisition related costs	(4,107)	-
Year 2000 compliance costs charged to operating profit	-	(1,460)
	(15,764)	(9,332)
Tax credit	2,546	2,823

Reorganisation costs comprise costs amounting to £3,859,000 (1999 - £7,872,000) relating to a major programme of reorganisation commenced in the prior year.

7. Interest receivable and similar income

	2000 £'000	1999 £'000
Interest on cash deposits and short-term investments	5,646	19,547
Interest receivable on loan to Reed International P.L.C.	3,833	3,822
Interest receivable from the Elsevier Reed Finance BV Group	5,110	2,840
Exchange gains on long term loans	-	718
	14,589	26,927

8. Interest payable and similar charges

	2000 £'000	1999 £'000
Interest payable to subsidiary undertakings	(7)	(6)
Interest payable to fellow subsidiary undertakings	-	(24)
External interest payable:		
On borrowings repayable other than by instalments	-	(85)
On amounts payable to Reed International P.L.C.	(5,702)	(5,696)
On all other borrowings	(2,080)	(466)
	(7,789)	(6,277)

9. Tax on profit on ordinary activities

	2000	1999
	£'000	£'000
UK corporation tax		
Current year at 30.00% (1999 - 30.25%)	(9,770)	(17,280)
Deferred taxation	(1,290)	2,405
	(11,060)	(14,875)
Tax credit on exceptional items	2,546	2,823
	(8,514)	(12,052)

The effective tax rate is lower than the statutory tax rate principally because dividends received from subsidiary undertakings were non-taxable. This was partly offset by the FRS 10 amortisation of intangible assets and goodwill which is not allowable for corporation tax purposes.

10. Dividends paid

	2000	1999
	£'000	£'000
Interim ordinary dividends :		
At £344.53 per share (1999 - £344.53)	400,000	400,000

11. Personnel

The average monthly number of employees (including Directors) during the year ended 31 December 2000 was 1,171 (1999 – 1,008).

Staff costs (including Directors) were:

	2000 £'000	1999 £'000
Wages and salaries	38,525	36,990
Social security costs	3,453	2,721
Other pension costs	70	156
	42,048	39,867

12. Directors' emoluments

The emoluments of the Directors, other than those who were directors of Reed Elsevier plc, were:

	2000 £'000	1999 £'000
Emoluments (excluding pension contributions and awards under share option schemes and other long-term incentive schemes)	1,317	1,742
Awards (other than shares and share options) receivable during the year under long-term incentive schemes	-	-
Highest paid Director's remuneration: Aggregate of emoluments and awards under long-term incentive schemes (excluding pension contributions, share options and awards in the form of shares)	208	384
Accrued pension of highest paid Director at 31 December 2000	10	71

	2000 Number	1999 Number
Number of Directors in office at 31 December 2000 who:		
- are members of a defined benefit pension scheme;	4	10
- exercised share options;	-	-
- have received awards during the year in the form of shares under long-term incentive schemes.	-	-

Messrs M H Armour and C H L Davis were also Directors of the Company's parent undertaking, Reed Elsevier plc. It is not practicable to allocate their emoluments for their services to the Company and so no emoluments are included in the above figures. Full details of their remuneration are given in the financial statements of Reed Elsevier plc.

13. Pension scheme

The Company participates in the Reed Elsevier Pension Scheme. This scheme is of the defined benefit type providing benefits to certain employees within the Reed Elsevier plc group and its assets are held separately from the group's assets.

The main UK scheme was subject to a valuation by Watson Wyatt partners as at 5 April 2000. The actuarial value placed on the assets was sufficient to cover 121% of the benefits that had accrued to the members. The actuarial surplus is being spread as a level amount over the average service lives of employees.

Full disclosure of the scheme is given in the financial statements of Reed Elsevier plc and the Reed Elsevier Annual Reports and Financial Statements 2000.

14. Intangible assets and goodwill

	Cost	Amortisation	Net book amount
Intangible assets	£'000	£'000	£'000
At 1 January 2000	291,780	(71,034)	220,746
Charge for the year	-	(14,589)	(14,589)
At 31 December 2000	291,780	(85,623)	206,157
Goodwill			
At 1 January 2000	33,699	(2,715)	30,984
Additions	1,977	-	1,977
Charge for the year	-	(1,774)	(1,774)
At 31 December 2000	35,676	(4,489)	31,187
Total intangible assets and goodwill			
At 1 January 2000	325,479	(73,749)	251,730
Additions	1,977	-	1,977
Charge for the year	-	(16,363)	(16,363)
At 31 December 2000	327,456	(90,112)	237,344

Additions in the year comprise the purchased goodwill in the businesses of T&T Clark and the Butterworth Law Directories, the latter of which was acquired from a fellow subsidiary. In the part year of Reed Elsevier (UK) Ltd ownership the acquisitions reported turnover of £416,000 and an operating loss (after the amortisation of goodwill) of £528,000.

15. Tangible fixed assets

	Land and buildings	Plant and equipment	Total
	£'000	£'000	£'000
Cost			
At 1 January 2000	498	20,845	21,343
Additions	-	4,290	4,290
Disposals	-	(2,583)	(2,583)
At 31 December 2000	498	22,552	23,050
Depreciation			
At 1 January 2000	402	12,749	13,151
Charge for the year	45	3,740	3,785
Disposals	-	(2,187)	(2,187)
At 31 December 2000	447	14,302	14,749
Net book amount			
At 31 December 2000	51	8,250	8,301
At 31 December 1999	96	8,096	8,192

Land and buildings at cost:	2000	1999
	£'000	£'000
Freehold	51	51
Short leasehold	447	447
	498	498

Freehold property includes land at a cost of £51,000 (1999 - £51,000) which has not been depreciated.

There were no fixed assets held under finance leases (1999 - £nil).

16. Investments in subsidiary undertakings

	Cost	Provisions	Net book value
	£'000	£'000	£'000
At 1 January 2000	2,403,909	(49,466)	2,354,443
Additions	40,913	-	40,913
Disposals	(47)	-	(47)
Provided	-	(6,739)	(6,739)
At 31 December 2000	2,444,775	(56,205)	2,388,570

Principal subsidiary undertakings Name	Country of incorporation and operation	Proportion of equity capital held Direct	 Indirect
		%	%
Exhibitions			
The Reed Exhibition Companies Limited	England	100%	
Publishing			
Eclipse Group Limited	England	100%	
Elsevier Science Limited	England	100%	
Reed Business Information Limited	England		100%
Reed Educational and Professional Publishing Limited	England	100%	
Reed Travel Group Limited	England		100%
Holding companies			
Butterworth & Co (Publishers) Ltd	England		100%
Heinemann Publishers (Oxford) Limited	England		100%
Reed Consumer Books Limited	England	100%	
Reed Elsevier (UK) Holdings Limited	England	100%	
Reed Overseas Corporation Limited	England	100%	
Reed Publishing Limited	England	100%	
Utell International Group Limited	England	100%	
Dormant companies			
The Lancet Limited	England	100%	
Tolley Publishing Company Limited	England	100%	

In the opinion of the directors the value of the Company's investments in its subsidiaries is not less in aggregate than the amount at which they are stated in the balance sheet.

17. Other investments

Unlisted investments	Cost	Provisions	Net book value
	£'000	£'000	£'000
At 1 January 2000	285	(285)	-
Additions	2,515	-	2,515
At 31 December 2000	2,800	(285)	2,515

The Directors' valuation of other investments at 31 December 2000 is £2,515,000 (1999 - £nil).

18. Stocks

	2000 £'000	1999 £'000
Raw materials and consumables	560	426
Work in progress	2,053	2,311
Finished goods	3,560	3,424
	6,173	6,161

19. Debtors

Amounts falling due within one year:		2000 £'000	1999 £'000
Trade debtors		36,236	33,754
Amounts owed by fellow subsidiary undertakings		25,280	8,819
Amounts owed by subsidiary undertakings		19,612	44,330
Amounts owed by associated undertakings		29	28
Amounts owed by Reed International P.L.C.		36,404	36,404
Amounts owed by the Elsevier Reed Finance BV Group		141,317	202,178
Other debtors		2,491	2,303
Prepayments and accrued income		5,448	4,649
Deferred taxation	note 22	4,081	5,359
		270,898	337,824

The amount receivable from Reed International P.L.C. is a 10.5% subordinated loan.

20. Creditors (amounts falling due within one year)

	2000 £'000	1999 £'000
Trade creditors	3,229	2,853
Amounts owed to fellow subsidiary undertakings	12,191	10,090
Amounts owed to subsidiary undertakings	1,095,805	994,188
Amounts owed to Reed International P.L.C.	510,622	230,855
Amount owed to parent undertaking	36,001	94,393
Other creditors	17,450	16,786
Corporation tax payable	26,033	30,407
Social security costs	1,133	759
Accruals and deferred income	30,148	30,153
	1,732,612	1,410,484

21. Creditors falling due after one year

	2000	1999
	£'000	£'000
Loans repayable between two and five years	20,000	-
Corporation tax payable	100,000	100,000
	120,000	100,000

22. Deferred Taxation

The major items included within deferred taxation were:

		2000		1999	
		Provided	Not provided	Provided	Not provided
		£'000	£'000	£'000	£'000
Accelerated capital allowances		1,708	-	1,851	-
Other timing differences		2,373	-	3,508	-
Asset	note 19	4,081	-	5,359	-

23. Called up share capital

	Authorised		Issued and fully paid	
	Number	£'000	Number	£'000
Ordinary shares of £1 each				
At 31 December 2000	1,500,000	1,500	1,161,000	1,161
At 31 December 1999	1,500,000	1,500	1,161,000	1,161

24. Reconciliation of movement in shareholders' funds

	Share capital	Share premium account	Profit and loss account	Shareholders' funds
	£'000	£'000	£'000	£'000
At 1 January 2000	1,161	383,899	1,203,510	1,588,570
Retained loss	-	-	(324,875)	(324,875)
At 31 December 2000	1,161	383,899	878,635	1,263,695

25. Operating leases

The annual commitments under non-cancellable operating leases are:

Expiry of operating lease:	2000 £'000	1999 £'000
Land and buildings		
Within one year	-	122
Within two to five years	339	232
After five years	5,291	4,804
	5,630	5,158

26. 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).

27. 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).

28. 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 is jointly owned by Reed International P.L.C. and Elsevier NV. The Elsevier Reed Finance BV group provides a range of treasury and other services to the Reed Elsevier plc group.