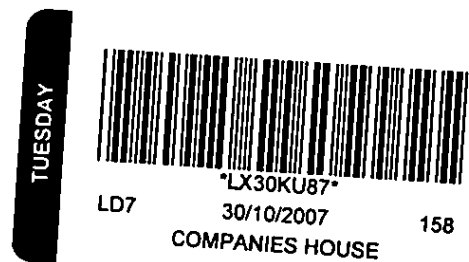


**Company Registration No. 2225211**

**Reed Midem Limited**

**Report and Financial Statements**

**31 December 2006**



# **Reed Midem Limited**

## **Report and financial statements 2006**

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# **Reed Midem Limited**

## **Report and financial statements 2006**

### **Officers and professional advisers**

#### **Directors**

PA Rhodes OBE (Managing Director)  
PN Forster  
MJ Rusbridge

#### **Secretary**

S King

#### **Registered Office**

Oriel House  
26 The Quadrant  
Richmond  
Surrey  
TW9 1DL

#### **Bankers**

Natwest Bank Plc  
1 Cavendish Square  
London  
W1A 4NU

#### **Auditors**

Deloitte & Touche LLP  
Chartered Accountants  
London

# **Reed Midem Limited**

## **Director's Report**

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

This directors' report has been prepared in accordance with the special provisions relating to small companies under section 246(4) of the Companies Act 1985

### **Review of the business**

The company is the UK sales agent for the Midem Organisation SA which organises trade markets and conferences in Cannes, France, Asia and the USA, for the television, music and sponsorship industries. There are no planned changes to these activities and the directors view the future with confidence.

### **Results and dividends**

The profit on ordinary activities before taxation for the year ended 31 December 2006 was £1,979,544 (2005 - £1,088,297). The directors do not recommend the payment of a dividend (2005 - £nil).

### **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 Group plc Save As You Earn 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**

There were no donations for charitable or political purposes during the year (2006 - £nil).

# Reed Midem Limited

## Director's Report

### Directors and their interests

The directors who served throughout the year ended 31 December 2006 were as follows

PA Rhodes OBE  
PN Forster  
MJ Rusbridge

Directors indemnity insurance has been taken out by the Company on the Directors' behalf, and remains in force at the date of this report

No director had, at any time during the year, any interests in the shares of the company

No director had, at any time during the year, a material interest in any contracts with the company or any group company

### Statement as to disclosure of information to auditors

Each of the persons who is a director at the date of approval of this annual report confirm that

- so far as the directors are aware, there is no relevant audit information (as defined by Section 234ZA of the Companies Act 1985) of which the company's auditors are unaware, and
- each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant information and to establish that the company's auditors are aware of that information

This confirmation is given and should be interpreted in accordance with the provisions of s234ZA of the Companies Act 1985

### Auditors

Deloitte & Touche LLP 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

Approved by the Board of Directors  
and signed on behalf of the Board



PA Rhodes OBE  
Director

29/10 2007

## **Reed Midem Limited**

### **Statement of Director's Responsibilities**

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to 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 these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, 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 that disclose with reasonable accuracy at any time the financial position of the company and 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.

## **Independent auditors' report to the members of Reed Midem Limited**

We have audited the financial statements of Reed Midem Limited for the year ended 31 December 2006 which comprise the profit and loss account, the balance sheet and the related notes 1 to 13. 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 235 of the Companies Act 1985. 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' responsibilities for preparing the Financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant United Kingdom 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 the relevant framework and are properly prepared in accordance with the Companies Act 1985. We also report if, in our opinion, the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, 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 other transactions is not disclosed.

We read the Directors' Report and we consider the implications for our report if we become aware of any apparent misstatements within it.

### **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 also evaluated the overall adequacy of the presentation of information in the financial statements.

## **Independent auditors' report to the members of Reed Midem Limited (continued)**

### **Opinion**

In our opinion

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2006 and of its profit for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Directors' Report is consistent with the financial statements

*Deloitte & Touche LLP.*

**Deloitte & Touche LLP**  
Chartered Accountants and Registered Auditors  
London

*30 October* 2007



## Reed Midem Limited

### Profit and loss account Year ended 31 December 2006

	Note	2006 £	2005 £
Turnover	1	2,269,247	1,958,744
Cost of sales		(436,950)	(435,287)
<b>Gross profit</b>		<u>1,832,297</u>	<u>1,523,457</u>
Administrative expenses		(496,824)	(435,160)
<b>Operating profit and profit on ordinary activities before taxation</b>	2	1,335,473	1,088,297
Tax on profit on ordinary activities	3	644,071	(330,017)
<b>Profit on ordinary activities after taxation and retained profit for the financial year</b>		<u>1,979,544</u>	<u>758,280</u>

All activities derive from continuing operations

There were no other recognised gains or losses in either period other than the result for each period. Accordingly, no statement of total recognised gains and losses is presented.

## Reed Midem Limited

### Balance sheet 31 December 2006

	Note	2006 £	2005 £
<b>Fixed assets</b>			
Tangible assets	6	8,624	9,873
<b>Current assets</b>			
Debtors	7	7,255,752	5,742,718
Cash at bank and in hand		786,431	367,136
		<u>8,042,183</u>	<u>6,109,854</u>
<b>Creditors: amounts falling due within one year</b>	8	<u>(740,849)</u>	<u>(789,313)</u>
<b>Net current assets</b>		<u>7,301,334</u>	<u>5,320,541</u>
<b>Total assets less current liabilities and Net Assets</b>		<u>7,309,958</u>	<u>5,330,414</u>
<b>Capital and reserves</b>			
Called up share capital	9	2	2
Profit and loss account	11	7,309,956	5,330,412
<b>Total Shareholder's funds</b>		<u>7,309,958</u>	<u>5,330,414</u>

These financial statements were approved by the Board of Directors on 29/10 2007

Signed on behalf of the Board of Directors



PA Rhodes OBE  
Director

# Reed Midem Limited

## Notes to the accounts

Year ended 31 December 2006

### 1. Accounting policies

The financial statements are prepared in accordance with applicable United Kingdom law and accounting standards. The particular accounting policies adopted, which have been applied consistently throughout the current and preceding year, are described below.

In accordance with FRS1 'Cash Flow Statements' (Revised), a statement of cash flows has not been prepared as cash flow information has been shown in the consolidated financial statements of the ultimate parent company.

#### Accounting convention

The financial statements are prepared under the historical cost convention.

#### Turnover

Turnover is based on the invoiced value of sales and excludes VAT. Turnover is derived from the United Kingdom and constitutes one class of business. All turnover is derived from the principal activities of the company.

#### Tangible fixed assets and depreciation

Tangible fixed assets are stated in the balance sheet at cost less accumulated depreciation. Depreciation has been provided on a basis that will write off the cost of these assets over their estimated future useful lives. Motor vehicles and fixtures and fittings are depreciated on a straight line basis at a rate of 25% per annum.

#### Taxation

Current tax, including UK corporation 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. The charge for taxation is based on the profit for the period and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

Deferred taxation is provided in full on timing differences that result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in financial statements. Deferred tax is not provided on timing differences arising from the revaluation of fixed assets where there is no binding contract to dispose of these assets. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

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

#### Operating leases

Rentals are charged to the profit and loss account in equal annual amounts over the lease term.

#### Pension costs

The Reed Elsevier Pension Scheme (a defined benefit scheme) is administered on a Reed Elsevier Group plc basis and total contributions are assessed by a qualified actuary, based on the cost of providing pensions across all participating Reed Elsevier Group plc 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.

# Reed Midem Limited

## Notes to the accounts Year ended 31 December 2006

### 1 Accounting policies (continued)

#### Foreign Exchange

Monetary assets and liabilities denominated in foreign currencies are translated at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated at the rates of exchange ruling at the dates of the transactions. All exchange differences are dealt with in the profit and loss account.

### 2 Operating profit

Operating profit is stated after charging

	2006 £	2005 £
Depreciation of tangible fixed assets	7,158	9,452
Auditors' remuneration		
- audit of the company's financial statements	11,400	3,600
Rentals payable under operating leases		
- other	76,651	84,940

### 3 Tax on profit on ordinary activities

	2006 £	2005 £
UK corporation tax	-	330,017
Adjustments with respect to prior years	(644,071)	-
Total current tax	(644,071)	330,017

The standard rate of current tax for the year, based on the main UK rate of corporation tax is 30% (2005 - 30%). A reconciliation of the notional tax charge based on the standard rate to the actual current tax charge is as follows:

	2006 £	2005 £
Profit on ordinary activities before tax	1,335,473	1,088,297
Tax at standard rate (30%)	400,642	326,489
Effect of non tax deductible expenses	2,709	2,810
Effect of depreciation in excess of capital allowances	116	718
Group relief surrendered for nil consideration	(403,467)	-
Prior year adjustments	(644,071)	-
Current tax charge	(644,071)	330,017

## Reed Midem Limited

### Notes to the accounts

#### Year ended 31 December 2006

#### 3 Tax on profit on ordinary activities (continued)

The company has an unprovided deferred tax asset of £3,507 (2005 £3,391) in respect of capital allowances in excess of depreciation. This asset would be recovered if the company makes suitable taxable profits in the future.

#### 4 Employees (including directors)

	2006 £	2005 £
<b>Staff costs</b>		
Wages and salaries	514,531	460,675
Social security costs	54,258	47,873
Pension costs*	11,944	12,767
	<u>580,733</u>	<u>521,315</u>
<b>Average number of persons employed</b>	<b>No.</b>	<b>No.</b>
Trading activities	<u>11</u>	<u>10</u>

\* Pension costs in the period represent company contributions to the group defined benefit pension scheme, details of which are provided in the consolidated financial statements of Reed Elsevier (UK) Ltd, a company incorporated in England and Wales, and a 100% owned subsidiary of Reed Elsevier Group plc, the ultimate parent company and controlling party of Reed Midem Ltd. The consolidated financial statements of Reed Elsevier Group plc are available to the public. The company is unable to identify its share of the underlying pension scheme assets and liabilities. At the balance sheet date there was a deficit in the scheme, details of which are disclosed in the consolidated financial statements of Reed Elsevier Group plc referred to above. The company has no obligation to make good any deficit in the scheme.

#### 5 Directors' emoluments

The emoluments received by the directors were £182,516 (2005 £170,655) of which £4,424 were pension costs. At 31 December 2006, amounts were accruing for 1 director under the defined benefit pension scheme.

# Reed Midem Limited

## Notes to the accounts Year ended 31 December 2006

### 6 Tangible fixed assets

	Motor vehicles £	Fixtures, and fittings £	Total £
<b>Cost</b>			
At 1 January 2006	18,765	58,351	77,116
Additions	-	5,909	5,909
At 31 December 2006	18,765	64,260	83,025
<b>Depreciation</b>			
At 1 January 2006	17,593	49,650	67,243
Charge for the year	1,172	5,986	7,158
At and 31 December 2006	18,765	55,636	74,401
<b>Net book value</b>			
At 31 December 2006	-	8,624	8,624
At 31 December 2005	1,172	8,701	9,873

### 7 Debtors

	2006 £	2005 £
Amounts owed by fellow subsidiary undertakings	7,217,342	5,707,366
Other debtors	8,506	7,083
Prepayments and accrued income	29,904	28,269
	<u>7,255,752</u>	<u>5,742,718</u>

### 8 Creditors amounts falling due within one year

	2006 £	2005 £
Bank overdraft	201,559	-
Taxation and social security	-	644,071
Accruals and deferred income	16,779	7,600
Amounts owed to group companies	522,511	137,642
	<u>740,849</u>	<u>789,313</u>

# Reed Midem Limited

## Notes to the accounts Year ended 31 December 2006

### 9 Called up share capital

	2006 £	2005 £
<b>Authorised.</b>		
100 ordinary shares of £1 each (2005 100)	100	100
<b>Called up, allotted and fully paid</b>		
2 ordinary shares of £1 each (2005 2)	2	2

### 10 Movement on reserves

	Share Capital £	Profit and loss account £	Total £
At 1 January 2005	2	5,330,412	5,330,414
Retained profit for the year	-	1,979,544	1,979,544
	2	7,309,956	7,309,958

### 11 Operating lease commitments

At 31 December 2006 the company was committed to making the following payments during the next year in respect of non-cancellable operating leases

	Land and buildings	
	2006 £	2005 £
Leases which expire		
Between 2 and 5 years	79,583	73,047

### 12 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 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 is 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

### 13 Ultimate parent company

The immediate parent company is Reed Exhibitions Limited which is incorporated in Great Britain

## **Reed Midem Limited**

### **Notes to the accounts**

#### **Year ended 31 December 2006**

The smallest and largest group in which Reed Midem Limited is consolidated into is Reed Elsevier Group plc

The company's ultimate parent company and controlling party is Reed Elsevier Group plc, a company incorporated in Great Britain and registered in England and Wales. Copies of the consolidated accounts of Reed Elsevier Group plc may be obtained from its registered office 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.