

19 Reserves (continued)

	Company			Total £m
	Share premium account £m	Capital redemption reserve £m	Profit and loss reserve £m	
At 1 January 2003	951	4	644	1,599
Profit attributable to ordinary shareholders	–	–	145	145
Equity dividends paid and proposed	–	–	(152)	(152)
Issue of ordinary shares, net of expenses	12	–	–	12
At 31 December 2003	963	4	637	1,604

Reed Elsevier PLC's share of the revenue reserves of the Reed Elsevier combined businesses is £261m (2002: £402m).

20 Contingent liabilities

There are contingent liabilities in respect of borrowings of the Reed Elsevier Group plc group and Elsevier Reed Finance BV group guaranteed by Reed Elsevier PLC as follows:

	2003 £m	2002 £m
Guaranteed jointly and severally with Reed Elsevier NV	2,692	2,934

Financial instruments disclosures in respect of the borrowings covered by the above guarantees are given in note 22 to the Reed Elsevier combined financial statements.

21 Prior year adjustment

In accordance with UITF38: Accounting for ESOP Trusts issued in December 2003 by the Urgent Issues Task Force of the UK Accounting Standards Board, the Reed Elsevier combined businesses now present the shares in Reed Elsevier PLC and Reed Elsevier NV held by the Reed Elsevier Group plc Employee Benefit Trust as shares held within treasury, which are deducted within combined shareholders' funds. Previously, such shares were included within the other fixed asset investments of the combined businesses. The consolidated balance sheet as at 31 December 2002 has been restated to reflect Reed Elsevier PLC's share of the restatement made in the combined financial statements in relation to the presentation of shares held in treasury.

22 Principal joint ventures

The principal joint ventures are:

		% holding
Reed Elsevier Group plc		
Incorporated and operating in Great Britain	£10,000 ordinary "R" shares	100%
1-3 Strand	£10,000 ordinary "E" shares	–
London WC2N 5JR	£100,000 7.5% cumulative preference non voting shares	100%
Holding company for operating businesses involved in science & medical, legal, educational and business publishing	Equivalent to a 50% equity interest	
Elsevier Reed Finance BV		
Incorporated in the Netherlands	133 ordinary "R" shares	100%
Sara Burgerhartstraat 25	205 ordinary "E" shares	–
1055 KV Amsterdam, The Netherlands		
Holding company for financing businesses	Equivalent to a 39% equity interest	

The "E" shares in Reed Elsevier Group plc and Elsevier Reed Finance BV are owned by Reed Elsevier NV.