Deloitte & Touche

Deloitte Touche Tohmatsu

Company Registration No. 53626

IPC MAGAZINES LIMITED

Report and Financial Statements

30 September 1998

Deloitte & Touche
Hill House
1 Little New Street
London EC4A 3TR

Deloitte & Touche

Deloitte Touche Tohmatsu

IPC MAGAZINES LIMITED

REPORT AND FINANCIAL STATEMENTS 1998

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DIRECTORS' REPORT

Subsequent to the acquisition of the company's parent undertaking on 19 January 1998, the company has changed its year end accounting date to 30 September in line with that of the new ultimate parent undertaking, IPC Group Limited. Accordingly, the directors present their report and the audited financial statements for the nine months ended 30 September 1998. The comparative figures stated are for the year ended 31 December 1997.

ACTIVITIES AND REVIEW OF THE BUSINESS

The principal activity of the company continued to be magazine publishing. This was largely focused within the UK.

The portfolio of publications covered 67 regular frequency titles in 25 market sectors. New titles were launched in the Home Interest market during the period.

The results for the period are set out on page 5. Further developments of Brand Extension and New Media projects were undertaken.

The results for the prior year include an exceptional profit of £114,788,000 on the sale of the business and assets, including publishing rights, of "New Scientist" and its internet site "Planet Science".

OWNERSHIP OF THE BUSINESS

On 19 January 1998 Reed Elsevier plc the ultimate parent undertaking at the previous year end sold its wholly owned subsidiary International Publishing Corporation Limited (formerly RPH Limited), an intermediate parent undertaking of IPC Magazines Limited. IPC Magazines Limited's ultimate parent undertaking is now IPC Group Limited.

DIVIDENDS

The directors do not recommend the payment of a dividend in respect of the period (year ended 31 December 1997 - £189,000,000).

DIRECTORS AND THEIR INTERESTS

The directors that served during the period were as follows:

M Matthew (Chairman)	
W R Aley	
T D G Arculus	(appointed 23 September 1998)
S J Auton	(appointed 6 February 1998)
S Bailey (nee Grice)	
R R Carayol	
L Lancaster-Gaye	
A McDuff	(appointed 6 February 1998)
C M Reeves-Smith	
D Stam	
A D Tanner	
C Boyd	(resigned 23 September 1998)
N J Davidson	(resigned 2 January 1998)
J B Mellon	(resigned 5 January 1998)

No director had, at any time during the period, any material interest in a contract with the company.

The interests in the issued share capital of IPC Group Limited of M Matthew and W R Aley are shown in the financial statements of that company. They hold no interests in the issued share capital of any other group company. T D G Arculus holds no interests in the issued share capital of any group company.

DIRECTORS' REPORT

The interests of the remaining directors and their families in the issued share capital of IPC Group Limited and IPC Holdings (UK) Limited at the beginning and end of the period are shown below:

	IPC Group Limited A Ordinary shares of 1p each		IPC Group Limited Preference shares of 1p each		IPC Holdings (UK) Limited Preference shares of £1 each	
	1 January 1998	30 September 1998	1 January 1998	30 September 1998	1 January 1998	30 September 1998
S J Auton	-	9,973	-	90,027	-	-
S Bailey (nee Grice)	-	9,973	-	90,027	-	-
R R Carayol	-	9,973	-	90,027	-	200
L Lancaster-Gaye	-	9,973	-	90,027	-	200
A McDuff	-	9,973	-	90,027	-	-
C M Reeves-Smith	-	9,973	-	90,027	-	200
D Stam	-	9,973	-	90,027	-	200
A D Tanner	-	9,973	-	90,027	-	200

FUTURE DEVELOPMENTS

Following a thorough strategic review, covering every aspect of the business, the company is undertaking a major restructure of its entire operation which it is believed will lead to savings generated in the main from a reduction in staff numbers of approximately 200 positions.

The company is focused on delivering world class, market-leading magazine brands and brand extensions. The restructure is designed to create a radically more effective, market-focused business to take advantage of the changes in the overall media environment and to truly exploit the strengths of its brands and focus on revenue growth and business expansion.

YEAR 2000

A group wide project to address the Year 2000 issue is in progress. Part of this involves the request of assurances from the group's major suppliers and customers that their systems are Year 2000 compliant. There can be no guarantee that all Year 2000 problems will be pre-empted but the steps taken by the group together with assurances from suppliers and customers should minimise the vulnerability of our software and systems. Contingency plans are being drawn up in response to risks arising from inadequate preparations by third parties. The year 2000 programme is expected to be complete by the third quarter of 1999.

The total cost of achieving Year 2000 compliance for the group is forecast to be approximately £3.8 million, with £1.5 million expended in calendar year 1998, £1.3 million to be spent in calendar year 1999, and £1.0 million having been spent in previous years.

EURO

Whilst the UK remains outside the European Monetary Union, the only effect on the business of the introduction of the Euro is as an additional trading currency.

The company's systems are able to process multi-currency dealings. Additionally, a Euro currency bank account has been opened to enable the company to handle receipts and payments.

EMPLOYEE PARTICIPATION

Employees are encouraged to become aware of the financial and economic factors which affect the company and its ability to compete in the marketplace. The individual contributions of staff are recognised as being essential to the future success of the business.

DIRECTORS' REPORT

Staff are informed of the performance and prospects of the company, together with financial information, by means of regular bulletins, notice boards and by management meetings. Detailed reviews and items of interest are provided to staff and pensioners by the company magazine, IPC News, and a director is responsible for internal communications. The company has an established staff council which continued to operate during the year.

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.

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;
- prepare the financial statements on a 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 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.

PAYMENTS TO SUPPLIERS

The company agrees terms and conditions for its business transactions with suppliers and payment is made on these terms. There were 55 days outstanding in creditors at year end (1997 – 66 days).

AUDITORS

A resolution for the reappointment of Deloitte & Touche as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

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

J F Gore
Company Secretary
10 February 1999

REGISTERED OFFICE

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AUDITORS' REPORT TO THE MEMBERS OF IPC MAGAZINES LIMITED

We have audited the financial statements on pages 5 to 17 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. 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 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 30 September 1998 and of its profit for the nine months then ended and have been properly prepared in accordance with the Companies Act 1985.

Deloitte & Touche

Deloitte & Touche
Chartered Accountants and Registered Auditors

10 February 1999

PROFIT AND LOSS ACCOUNT
Nine months ended 30 September 1998

	Note	Nine months ended 30 September 1998 £'000	Year ended 31 December 1997 £'000
TURNOVER – continuing operations	1, 2	250,437	337,652
Cost of sales		(130,332)	(171,497)
Gross profit		120,105	166,155
Distribution costs		(44,402)	(59,303)
Administrative expenses		(29,698)	(39,920)
Other operating income		146	317
Income from associated undertakings		1,563	3,125
OPERATING PROFIT - continuing operations		47,714	70,374
Exceptional item - profit on sale of New Scientist		-	114,788
Interest receivable		879	1
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	3	48,593	185,163
Tax charge on profit on ordinary activities	7	(711)	(17,472)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION	18	47,882	167,691
Interim dividends paid	18	-	(189,000)
Retained surplus/(deficit) for the period/year		47,882	(21,309)

There are no recognised gains or losses for the current financial period and preceding financial year other than as stated in the profit and loss account. The historical cost profits and losses are not materially different from the results disclosed above.

A reconciliation of movements in shareholders' funds is set out in note 18 to the accounts.

The notes on pages 7 to 16 form an integral part of these financial statements.

Deloitte & Touche

Deloitte Touche Tohmatsu

BALANCE SHEET
30 September 1998

	Note	As at 30 September 1998 £'000	As at 31 December 1997 £'000
FIXED ASSETS			
Intangible assets	9	37,036	37,036
Tangible assets	10	26,362	28,735
Investments	11	75,955	75,955
		139,353	141,726
CURRENT ASSETS			
Stocks	12	5,927	5,674
Debtors: amounts falling due within one year	13	47,903	52,501
Debtors: amounts falling due after more than one year	13	49,657	6,716
Cash at bank and in hand		17,820	38,088
		121,307	102,979
CREDITORS: amounts falling due within one year	14	(49,204)	(83,931)
NET CURRENT ASSETS		72,103	19,048
TOTAL ASSETS LESS CURRENT LIABILITIES		211,456	160,774
CREDITORS: amounts falling due after more than one year	14	(13,076)	(10,283)
PROVISIONS FOR LIABILITIES AND CHARGES	15	(1,036)	(1,029)
NET ASSETS		197,344	149,462
CAPITAL AND RESERVES			
Called up share capital	17, 18	2,580	2,580
Share premium account	18	112,887	112,887
Other reserves	18	2,318	2,318
Profit and loss account	18	79,559	31,677
EQUITY SHAREHOLDERS' FUNDS		197,344	149,462

These financial statements were approved by the Board of Directors on 10 February 1999.

Signed on behalf of the Board of Directors

M Matthew

Director

NOTES TO THE ACCOUNTS
Nine months ended 30 September 1998

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements are presented for the company as an individual undertaking. The company is not required to prepare group financial statements 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.

Under the provisions of Financial Reporting Standard 1 - "Cash Flow Statements", the company has not prepared a cash flow statement because its ultimate parent company, IPC Group Limited, which is incorporated in Great Britain, has prepared consolidated accounts.

These financial statements have been prepared under the historical cost convention and in accordance with applicable Accounting Standards.

Turnover

Turnover represents the invoiced value of sales on transactions completed by delivery excluding VAT.

Intangible assets

Publishing rights are stated at fair value on acquisition and are not subsequently revalued. Having no finite economic life, no systematic amortisation is applied but provision is made for any permanent impairment in value. Internally developed intangibles are not carried on the balance sheet.

Tangible fixed assets and depreciation

Tangible fixed assets are stated in the balance sheet at cost less accumulated depreciation. Depreciation is provided on a basis that will write off the book value of fixed assets on a straight line basis over their expected lives. The depreciation rates range from 6⅔% to 33⅓% for plant and equipment, and 6⅔% to 12½% for fixtures and fittings.

Fixed asset investments

Investments are stated at cost less provision, if appropriate, for any permanent diminution in value.

Stocks

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

Taxation

Provision is made for timing differences to the extent that it is probable that a liability or asset will crystallise in the foreseeable future. No provision is made for tax which would become payable on the sale of intangible assets at stated amounts as there is no present intention to sell such assets.

Research and development

Development spend on the launch of new products or services is expensed to the profit and loss account as incurred. The cost of developing software for use internally may be capitalised and written off over its estimated useful life.

NOTES TO THE ACCOUNTS
Nine months ended 30 September 1998

1. **ACCOUNTING POLICIES (continued)**

Foreign exchange

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

Leases

Operating lease rentals are charged to the profit and loss account on a straight line basis over the period of the lease.

Pensions

Employees are members of the IPC Magazines Pension Scheme (the "Scheme"), a defined benefit scheme. The expected costs of pensions in respect of the Scheme are charged to the statement of income so as to spread the costs over the service lives of employees in the Scheme. Actuarial surpluses and deficits are allocated over the average expected remaining service lives of employees. Pension costs are assessed in accordance with the advice of qualified actuaries.

2. **TURNOVER**

	Nine months ended 30 September 1998 £'000	Year ended 31 December 1997 £'000
The analysis of the company's turnover by geographical market is as follows:		
United Kingdom	237,652	318,373
Europe	7,132	9,489
Rest of the world	5,653	9,790
Total	250,437	337,652

All turnover derives principally from the company's principal activity, magazine publishing, in the United Kingdom. The geographical analysis of turnover has been re-presented from prior years to give a more appropriate breakdown.

It is not appropriate to analyse operating profit or net assets attributable to geographical market as the company operates principally from one geographic location.

NOTES TO THE ACCOUNTS
Nine months ended 30 September 1998

3. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

	Nine months ended 30 September 1998 £'000	Year ended 31 December 1997 £'000
Profit on ordinary activities before taxation is after charging:		
Depreciation of owned tangible assets	6,905	8,235
Auditors' remuneration		
Audit fees	34	32
Non audit fees	28	36
Operating lease rentals	4,052	6,539
Research and development costs	1,413	5,564

4. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

	Nine months ended 30 September 1998 £'000	Year ended 31 December 1997 £'000
Staff costs (including directors)		
Wages and salaries	41,635	53,637
Social security costs	3,528	4,720
Pensions	2,860	29
	48,023	58,386

Average number of persons employed	1998 No.	1997 No.
Editorial	811	829
Sales and distribution	177	175
Administration and finance	863	886
	1,851	1,890

NOTES TO THE ACCOUNTS
Nine months ended 30 September 1998

5. DIRECTORS' EMOLUMENTS

	Nine months ended 30 September 1998 £'000	Year ended 31 December 1997 £'000
Payments to directors of the company:		
Salary	913	1,177
Benefits	68	92
Annual performance related bonus	126	399
Total emoluments	1,107	1,668

The number of directors accruing benefits at the year end in respect of defined benefit pension schemes is 10 (1997 - 11).

Analysis of the emoluments (excluding pension contributions) of the highest paid director:

	Nine months ended 30 September 1998 £'000	Year ended 31 December 1997 £'000
Emoluments	195	277
Accrued pension at year end	109	94

6. PENSION

A funded defined benefit pension scheme, the IPC Magazines Pension Scheme ("the Scheme"), is operated for all permanent employees aged between 16 and 65. The Trustees of the Scheme are responsible for the investment of the assets, which are held separately from the company.

For former members of the Reed Elsevier Pension Scheme (REPS), the Scheme commenced on 18 February 1998, after a month's participation in REPS following the acquisition of International Publishing Corporation Limited from Reed Elsevier plc. During the period of participation in REPS members contributed 4% of their Pensionable Salary and were entitled to their normal benefits for this period of service. New employees were entitled to join the Scheme with effect from 18 January 1998.

The assets transferred to the Scheme from REPS are calculated in accordance with the Deed of Division dated 12 December 1997 and the Agreement for the sale and purchase dated 5 January 1998.

A valuation of the IPC Magazines Pension Scheme, as at 18 February 1998, is currently being undertaken.

NOTES TO THE ACCOUNTS
Nine months ended 30 September 1998

6. PENSION (continued)

The total pension cost for the respective periods are:

	Nine months ended 30 September 1998 £'000	Year ended 31 December 1997 £'000
	2,860	29

In prior years the accrued pension costs relating to the REPS were accounted for within the group financial statements of the former parent undertaking, Reed Elsevier plc. The regular cost for the period to 30 September 1998 in respect of the IPC Magazines Pension Scheme has been charged to the company's profit and loss account.

7. TAX CHARGE ON PROFIT ON ORDINARY ACTIVITIES

	Nine months ended 30 September 1998 £'000	Year ended 31 December 1997 £'000
United Kingdom corporation tax at 31% (1997 – 31.5%) based on the profit for the period	976	18,590
Deferred taxation	(265)	58
Adjustment of current taxation in respect of prior years	-	(1,242)
Adjustment of deferred taxation in respect of timing differences from prior years	-	66
	711	17,472

The tax charge for the period is low due to the receipt of non taxable income and the receipt of tax losses for which no consideration has been given.

NOTES TO THE ACCOUNTS
Nine months ended 30 September 1998

8. DEFERRED TAXATION

	Nine months ended 30 September 1998 £'000	Year ended 31 December 1997 £'000
The deferred tax liability/(asset) provided in the financial statements represents taxation in respect of:		
ACT recoverable	-	(171)
Excess of tax allowances over depreciation	-	614
Other timing differences	-	(349)
Total	-	94

As at 30 September 1998 there is an unprovided deferred taxation asset of £2,807,000 in respect of excess of tax allowances over depreciation (£1,542,000) and other timing differences (£1,265,000).

9. INTANGIBLE FIXED ASSETS

Publishing rights	1998 £'000	1997 £'000
At 30 September 1998 and 31 December 1997	37,036	37,036

NOTES TO THE ACCOUNTS
Nine months ended 30 September 1998

10. TANGIBLE FIXED ASSETS

	Plant and equipment £'000	Fixtures and fittings £'000	Total £'000
Cost			
At 1 January 1998	43,731	21,485	65,216
Additions	4,291	500	4,791
Disposals	(924)	(9)	(933)
At 30 September 1998	47,098	21,976	69,074
Accumulated depreciation			
At 1 January 1998	27,164	9,317	36,481
Charge for the period	5,183	1,722	6,905
Disposals	(665)	(9)	(674)
At 30 September 1998	31,682	11,030	42,712
Net book amount			
At 30 September 1998	15,416	10,946	26,362
At 31 December 1997	16,567	12,168	28,735

11. FIXED ASSET INVESTMENTS

	Shares in subsidiary undertakings £'000
Cost	
At 1 January 1998 and 30 September 1998	117,373
Provisions	
At 1 January 1998 and 30 September 1998	(41,418)
Net book value	
At 30 September 1998 and 31 December 1997	75,955

Interests in the share capital of subsidiary undertakings relate to IPC Magazines (Overseas) Limited and dormant companies all of which are wholly owned. The dormant companies hold certain of the publishing rights to magazines published by the company. The principal function of IPC Magazines (Overseas) Limited, which is incorporated in Great Britain, is to hold shares in the French joint venture company Avantages SA and shares in IPC Magazines Australia Pty Ltd. IPC Magazines (Overseas) Limited is located at Kings Reach Tower, Stamford Street, London SE1 9LS.

NOTES TO THE ACCOUNTS
Nine months ended 30 September 1998

11. FIXED ASSET INVESTMENTS (continued)

IPC Magazines Limited has a joint venture interest in European Magazines Limited by virtue of its 50% ownership of the company's £100 issued share capital. This interest is included within fixed asset investments at its original cost of £50. European Magazines Limited's principal activity is Magazine Publishing.

European Magazines Limited made a profit before tax of £4,977,000 (unaudited) for the period ended 30 September 1998, and had total shareholders' funds of £5,510,000 (unaudited). The year end for European Magazines Limited is 31 December.

European Magazines Limited is incorporated in Great Britain.

IPC Magazines Limited also had a 74% interest in a corporate partnership, Reed Telemedia. This corporate partnership sold its United Kingdom audiotex business in June 1995. It has no operations but has not been dissolved pending resolution of legal proceedings in Portugal.

In the opinion of the directors, the aggregate value of the company's investments is not worth less than the aggregate amount shown above.

IPC Magazines Limited sells goods and management and other services to European Magazines Limited and charges royalties to Avantages SA.

	1998 £'000	1997 £'000
Sales to European Magazines Limited	5,004	6,759
Sales to Avantages SA	488	274
Amounts owed by European Magazines Limited at 30 September 1998 / 31 December 1997	1,305	897
Amounts owed to European Magazines Limited at 30 September 1998 / 31 December 1997	(1,077)	(773)
Amounts owed by Avantages SA at 30 September 1998 / 31 December 1997	139	-

12. STOCKS

	1998 £'000	1997 £'000
Raw materials and consumables	5,878	5,641
Work in progress	49	33
	5,927	5,674

NOTES TO THE ACCOUNTS
Nine months ended 30 September 1998

13. DEBTORS

	1998 £'000	1997 £'000
Amounts falling due within one year:		
Trade debtors	35,701	32,152
Amounts owed by fellow subsidiary undertakings	932	793
Amounts owed by undertakings in which the company has a participating interest	367	123
Other debtors	6,193	5,881
Prepayments and accrued income	4,710	13,552
	47,903	52,501

	1998 £'000	1997 £'000
Amounts falling due after more than one year:		
Amounts owed by intermediate and immediate parent companies	49,657	6,716
	49,657	6,716

14. CREDITORS

	1998 £'000	1997 £'000
Amounts falling due within one year:		
Trade creditors	35,631	33,809
Amounts owed to former parent company	-	5,633
Amounts owed to fellow subsidiary undertakings	-	1,274
Other creditors	2,489	3,657
Taxation and social security	2,221	28,867
Accruals and deferred income	8,863	10,691
	49,204	83,931

	1998 £'000	1997 £'000
Amounts falling due after 1-2 years:		
Accrued pension costs	2,860	-
Amounts owed to subsidiary undertakings	10,216	10,283
	13,076	10,283

NOTES TO THE ACCOUNTS
Nine months ended 30 September 1998

15. PROVISIONS FOR LIABILITIES AND CHARGES

	Pensions £'000	Deferred taxation £'000	Other £'000	Total £'000
At 1 January 1998	32	94	903	1,029
(Utilised)/provided	(4)	(94)	105	7
At 30 September 1998	28	-	1,008	1,036

16. CAPITAL COMMITMENTS

	1998 £'000	1997 £'000
Contracts placed	-	-

17. CALLED UP SHARE CAPITAL

	1998 £'000	1997 £'000
Authorised:		
3,230.000 ordinary shares of £1 each	3,230	3,230
Allotted, called up and fully paid:		
2,580,000 ordinary shares of £1 each	2,580	2,580

18. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS AND STATEMENT OF MOVEMENTS ON RESERVES

	Share capital £'000	Share premium account £'000	Other reserves £'000	Profit and loss account £'000	Total 1998 £'000	Total 1997 £'000
At start of year	2,580	112,887	2,318	31,677	149,462	172,971
Profit for the year	-	-	-	47,882	47,882	167,691
Dividends	-	-	-	-	-	(189,000)
Goodwill written off	-	-	-	-	-	(2,200)
At end of year	2,580	112,887	2,318	79,559	197,344	149,462

19. PARENT UNDERTAKINGS

On 19 January 1998, Reed Elsevier plc, the ultimate parent undertaking of the company as at 31 December 1997, sold its wholly owned subsidiary RPH Limited and its subsidiaries including IPC Magazines Limited, to IPC Magazines (UK) Limited, a wholly owned subsidiary of IPC Group Limited.

NOTES TO THE ACCOUNTS
Nine months ended 30 September 1998

19. PARENT UNDERTAKINGS (continued)

The company's ultimate parent undertaking and controlling entity as at 30 September 1998 was IPC Group Limited, a company incorporated in Great Britain and registered in England and Wales.

Copies of the consolidated financial statements of IPC Group Limited may be obtained from The Company Secretary, King's Reach Tower, Stamford Street, London, SE1 9LS.

20. RELATED PARTY TRANSACTIONS

There were no material transactions during the period between the company and its associated undertakings, nor with the fellow associated undertakings of its then ultimate parent company, other than those disclosed in these accounts.

The company has taken advantage of the exemption granted under paragraph 3(c) of Financial Reporting Standard 8 not to disclose transactions with entities that are part of the IPC Group Limited group.

21. OPERATING LEASE COMMITMENTS

	Land and buildings 1998 £'000	Land and buildings 1997 £'000
Leases which expire:		
Within one year	-	-
Within two to five years	820	456
After five years	4,045	5,103
	4,865	5,559