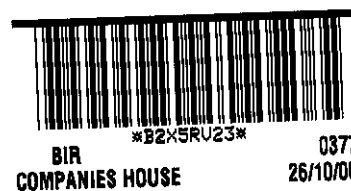


**THE REED EXHIBITION COMPANIES
LIMITED**

Report and Financial Statements

31 December 1999

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



REPORT AND FINANCIAL STATEMENTS 1999

CONTENTS

Page

Officers and professional advisers

1

Directors' report

2

Statement of directors' responsibilities

4

Auditors' report

5

Profit and loss account

6

Balance sheet

7

Notes to the accounts

8

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

M J Rusbridge (Chairman)
B Bradford
P N Forster
S J King (appointed 3 April 2000)
R C Rees
P G B Robinson (retired 30 April 1999)
A Wallis (resigned 31 March 2000)
M R Whibley (retired 30 June 1999)
D Wood

SECRETARY

S J King (appointed 3 April 2000)
A Wallis (resigned 31 March 2000)

REGISTERED OFFICE

Oriel House
26 The Quadrant
Richmond
Surrey
TW9 1DL

BANKERS

National Westminster Bank Plc
City of London Office
21 Lombard Street
London
EC3P 3AR

SOLICITORS

DJ Freeman
43 Fetter Lane
London
EC4A 1NA

AUDITORS

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

DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the year ended 31 December 1999.

PRINCIPAL ACTIVITY

The company's principal activity during the year was event organising.

DIVIDENDS AND TRANSFERS TO RESERVES

The directors do not recommend the payment of a dividend for the year ended 31 December 1999 (1998 - £Nil). The company's retained profit for the year of £2,079,789 (1998 - £2,357,872) has been transferred to reserves.

DIRECTORS AND THEIR INTERESTS

The membership of the board during the year is set out on page 1.

No director had, at any time in the year, any interest in the share capital of the company or any other companies within the Reed Elsevier plc group.

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

REVIEW OF THE BUSINESS AND FUTURE DEVELOPMENTS

The company envisages that it will continue to strengthen its existing event portfolio whilst developing opportunities for its brand leaders.

EMPLOYEE PARTICIPATION

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

The Reed Elsevier plc SAYE Share Option Scheme enables employees to participate in the future prosperity of the company.

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.

CREDITOR PAYMENT POLICY

The company agrees terms and conditions for its business transactions when orders for goods and services are placed, ensuring that suppliers are aware of the terms of payment and including the relevant terms in contracts where appropriate. These arrangements are adhered to when making payments, subject to the terms and conditions being met by the supplier. At 31 December 1999 the company's creditor days were 43 days (1998 - 22 days).

DIRECTORS' REPORT

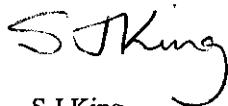
YEAR 2000 AND EURO

The directors have considered the impact of the Year 2000 and Euro on its systems and operations and have taken all appropriate action, to the best of their knowledge and belief, to ensure that there was no significant disruption to the business. The cost of carrying out any modification work in relation to the above was not considered material.

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.

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



S J King
Secretary

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 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 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.

AUDITORS' REPORT TO THE MEMBERS OF

THE REED EXHIBITION COMPANIES LIMITED

We have audited the financial statements on pages 6 to 17 which have been prepared under the accounting policies set out on pages 8 and 9.

Respective responsibilities of directors and auditors

As described on page 4 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 at 31 December 1999 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Deloitte Touche

Chartered Accountants and Registered Auditors

25 October 2000

PROFIT AND LOSS ACCOUNT
Year ended 31 December 1999

	Note	£	1999 £	£	1998 £
TURNOVER	2, 3				
Continuing operations		42,125,559		49,809,212	
Acquisitions		1,244,045		-	
Total turnover			43,369,604		49,809,212
Staff costs	3, 4	(9,786,093)		(8,545,726)	
Depreciation and other amounts written off tangible and intangible fixed assets		(3,711,358)		(2,154,340)	
Other operating charges		(25,538,948)		(34,617,786)	
			(39,036,399)		(45,317,852)
OPERATING PROFIT					
Continuing operations		4,312,249		4,491,360	
Acquisitions		20,956		-	
Total operating profit			4,333,205		4,491,360
Amounts written off subsidiary undertakings	11	(10,516,552)		-	
Income from shares in subsidiary undertakings		10,755,565		-	
Interest receivable and similar income	6	1,930		415	
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	5		4,574,148		4,491,775
Tax on profit on ordinary activities	7		(2,494,359)		(2,133,903)
PROFIT FOR THE FINANCIAL YEAR TRANSFERRED TO RESERVES			2,079,789		2,357,872
Retained profit brought forward			4,087,781		1,729,909
Retained profit carried forward			6,167,570		4,087,781

There are no recognised gains and losses or other movements in shareholders' funds other than the profit for the financial year. Accordingly, no statement of total recognised gains and losses nor a reconciliation of movement in shareholders' funds are given.

BALANCE SHEET
31 December 1999

	Note	£	1999 £	£	1998 £
FIXED ASSETS					
Intangible assets	9		13,177,005		4,898,267
Tangible assets	10		4,062,382		3,084,224
Investments	11		12,039,083		9,016,044
			<u>29,278,470</u>		<u>16,998,535</u>
CURRENT ASSETS					
Debtors:					
Amounts falling due within one year	12	8,217,870		5,149,430	
Amounts falling due after more than one year	12	5,582,031		5,584,069	
Cash at bank and in hand		493,365		29,256	
		<u>14,293,266</u>		<u>10,762,755</u>	
CREDITORS: amounts falling due within one year	13	<u>(35,756,726)</u>		<u>(22,026,069)</u>	
NET CURRENT LIABILITIES			<u>(21,463,460)</u>		<u>(11,263,314)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			7,815,010		5,735,221
CREDITORS: amounts falling due after more than one year	14		<u>(573,840)</u>		<u>(573,840)</u>
NET ASSETS			<u>7,241,170</u>		<u>5,161,381</u>
CAPITAL AND RESERVES					
Called up share capital	16		531,260		531,260
Share premium account			542,340		542,340
Profit and loss account			6,167,570		4,087,781
TOTAL SHAREHOLDERS' FUNDS			<u>7,241,170</u>		<u>5,161,381</u>
Attributable to equity shareholders			6,715,170		4,635,381
Attributable to non-equity shareholders			526,000		526,000
			<u>7,241,170</u>		<u>5,161,381</u>

These financial statements were approved by the Board of Directors on

23 October 2000

Signed on behalf of the Board of Directors


~~M.J. Rusbridge~~ R. C. Rees

Director

NOTES TO THE ACCOUNTS
Year ended 31 December 1999**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, Reed Elsevier plc, which is registered in England and Wales, has prepared consolidated accounts which include the accounts of the company for the year and which contain a cash flow statement.

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

Turnover

Turnover represents the invoice value of space sold and other revenue received in respect of exhibitions held during the year, excluding value added tax.

Intangible assets

Exhibition titles and rights are stated at fair value on acquisition and are not subsequently revalued. Provision is made for any permanent impairment in value. Internally developed intangibles are not carried on the balance sheet.

In accordance with Financial Reporting Standard 10 - "Goodwill and Intangible Assets", intangible assets are amortised over their estimated useful lives up to a maximum period of 20 years.

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 rates of depreciation are as follows :

Vehicles and equipment	10% to 33%
Leasehold land and buildings	Over the unexpired lease term
Leasehold improvements	20%

Fixed asset investments

Investments in subsidiary undertakings are stated at cost less provision for any impairment.

Deferred income

The amount included in creditors for deferred income represents revenue received less direct expenditure incurred on future exhibitions.

Deferred taxation

Deferred taxation is provided at the anticipated tax rates on timing differences which arise from the recognition of income and expenditure in differing periods for taxation and accounting purposes to the extent that it is probable that a liability or asset will crystallise in the future.

NOTES TO THE ACCOUNTS**Year ended 31 December 1999****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

Rentals under operating leases are charged as incurred to the profit and loss account over the lease term. The company does not hold any assets under finance leases.

Pensions

The Reed Pension Scheme and Reed Executive Pension Scheme, both of which are defined benefit schemes, are 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 year on the basis of amounts payable.

2. TURNOVER

The geographical analysis of the company's turnover is as follows:

	1999 £	1998 £
United Kingdom	28,215,723	35,912,201
Europe	6,800,261	7,297,006
Rest of the world	8,353,620	6,600,005
	<u>43,369,604</u>	<u>49,809,212</u>

All turnover derives from the company's principal activity.

3. ANALYSIS OF CONTINUING AND ACQUIRED OPERATIONS

	Continuing operations £	Acquired operations £	1999 Total £	1998 Total £
Turnover	42,125,559	1,244,045	43,369,604	49,809,212
Staff costs	(9,520,407)	(265,686)	(9,786,093)	(8,545,726)
Depreciation and amounts written off tangible and intangible fixed assets	(3,697,477)	(13,881)	(3,711,358)	(2,154,340)
Other operating charges	(24,595,426)	(943,522)	(25,538,948)	(34,617,786)
Operating profit	<u>4,312,249</u>	<u>20,956</u>	<u>4,333,205</u>	<u>4,491,360</u>

The results of the prior year were all derived from continuing operations.

NOTES TO THE ACCOUNTS
Year ended 31 December 1999**4. INFORMATION REGARDING DIRECTORS AND EMPLOYEES**

	1999 No	1998 No
Average number of persons employed		
Administration/organising	102	97
Sales/marketing	123	123
	<u>225</u>	<u>220</u>
	£	£
Staff costs (including directors)		
Wages and salaries	8,917,253	7,828,900
Social security costs	822,475	679,791
Pension contributions	46,365	37,035
	<u>9,786,093</u>	<u>8,545,726</u>
	£	£
Directors' emoluments		
Other remuneration	1,057,825	1,138,322
Pension contributions	46,365	37,035
	<u>1,104,190</u>	<u>1,175,357</u>
	No	No
Number of directors who are members of a defined benefit pension scheme	8	8
	£	£
Remuneration of the highest paid director		
Other remuneration	384,223	322,651
Pension contributions	14,367	5,202
	<u>398,590</u>	<u>327,853</u>
	£	£
Accrued pension benefits	70,659	55,395

5. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

	1999 £	1998 £
Profit on ordinary activities before taxation is after charging/(crediting) :		
Rentals under operating leases		
Hire of plant and machinery	48,507	51,657
Land and buildings	680,549	715,365
Depreciation on owned assets	1,144,395	915,236
Amortisation on intangible assets	2,566,963	1,239,104
Loss on disposal of intangible assets	240,000	-
(Profit)/loss on disposal of tangible fixed assets	(131,067)	18,705
(Gain)/loss on foreign currency exchange	(30,303)	44,171
Auditors' remuneration		
Audit fees	32,014	47,244
Non audit fees	40,350	-

NOTES TO THE ACCOUNTS**Year ended 31 December 1999****6. INTEREST**

	1999 £	1998 £
Interest receivable and similar income		
Other interest receivable	1,930	415

7. TAX ON PROFIT ON ORDINARY ACTIVITIES

	1999 £	1998 £
United Kingdom corporation tax at 30.25% (1998 – 31%) based on the profit for the year	2,129,492	2,113,789
Deferred taxation charge	924	-
Less: Relief for overseas taxation	(18,136)	(18,206)
	2,112,280	2,095,583
Overseas taxation suffered	18,136	18,206
Underprovision in respect of previous years:		
Corporation tax	363,943	-
Deferred taxation	-	20,114
	2,494,359	2,133,903

The tax charge for the year is disproportionate to the profits for the year due to the disallowance of certain expenditure for tax purposes.

8. ACQUISITIONS OF SUBSIDIARY UNDERTAKINGS

On 30 March 1999, the company acquired 100% of the issued share capital of 100% Design Limited, at a cost of £2,850,000. On 31 March 1999, the trade assets and liabilities were sold to the company. The assets and liabilities acquired were:

	Book value £	Other adjustments £	Fair value to the company £
Tangible assets	17,172	-	17,172
Exhibition title	-	3,116,220	3,116,220
Trade debtors and other debtors and prepayments	327,318	-	327,318
Cash at bank	195,765	-	195,765
Creditors and other liabilities	(806,475)	-	(806,475)
	(266,220)	3,116,220	2,850,000

Cash consideration of £2,850,000 was settled through inter-company accounts. The adjustment to book value reflects the underlying value of the exhibition title not recognised prior to the acquisition.

NOTES TO THE ACCOUNTS**Year ended 31 December 1999****8. ACQUISITIONS OF SUBSIDIARY UNDERTAKINGS (continued)**

On 30 June 1999, the trade, assets and liabilities of the company's wholly owned subsidiary EIBTM Limited were sold to the company. The value of assets and liabilities acquired were:

	Book value £	Other adjustments £	Fair value to the company £
Tangible assets	9,626	-	9,626
Exhibition title	-	7,419,261	7,419,261
Trade debtors and other debtors and prepayments	143,575	-	143,575
Cash at bank	4,382,371	-	4,382,371
Creditors and other liabilities	(2,454,833)	-	(2,454,833)
	<u>2,080,739</u>	<u>7,419,261</u>	<u>9,500,000</u>

Cash consideration of £9,500,000 was settled through inter-company accounts. The adjustment to book value reflects the underlying value of the exhibition title not recognised prior to the acquisition.

The above acquisitions have been accounted for using the acquisition method of accounting.

9. INTANGIBLE FIXED ASSETS

	Exhibition titles and rights £
Cost	
At 1 January 1999	20,990,416
Purchases during the year	576,220
Disposals during the year	(1,300,000)
Transfer on divisionalisation	10,535,481
	<u>30,802,117</u>
At 31 December 1999	
Accumulated amortisation	
At 1 January 1999	16,092,149
Amortisation during the year	2,566,963
Disposals during the year	(1,034,000)
	<u>17,625,112</u>
At 31 December 1999	
Net book amount	
At 31 December 1999	<u>13,177,005</u>
At 31 December 1998	<u>4,898,267</u>

NOTES TO THE ACCOUNTS
Year ended 31 December 1999

10. TANGIBLE FIXED ASSETS

	Short term leasehold land and buildings £	Vehicles and equipment £	Total £
Cost			
At 1 January 1999	402,432	4,774,899	5,177,331
Additions	103,885	2,046,698	2,150,583
Disposals	-	(743,162)	(743,162)
Transfer on divisionalisation	-	241,120	241,120
At 31 December 1999	506,317	6,319,555	6,825,872
Accumulated depreciation			
At 1 January 1999	122,160	1,970,947	2,093,107
Charge for the year	68,636	1,075,759	1,144,395
Disposals	-	(688,334)	(688,334)
Transfer on divisionalisation	-	214,322	214,322
At 31 December 1999	190,796	2,572,694	2,763,490
Net book amount			
At 31 December 1999	315,521	3,746,861	4,062,382
At 31 December 1998	280,272	2,803,952	3,084,224

11. FIXED ASSET INVESTMENTS

	Shares in subsidiary undertakings at cost £	Shares in associated undertakings at cost £	Other investments at cost £	Total £
Cost				
At 1 January 1999	9,019,044	-	-	9,019,044
Additions	2,953,235	268,097	10,318,259	13,539,591
At 31 December 1999	11,972,279	268,097	10,318,259	22,558,635
Provisions				
At 1 January 1999	3,000	-	-	3,000
Provided during the year	10,516,552	-	-	10,516,552
At 31 December 1999	10,519,552	-	-	10,519,552
Net book value				
At 31 December 1999	1,452,727	268,097	10,318,259	12,039,083
At 31 December 1998	9,016,044	-	-	9,016,044

The provision during the year has arisen to reflect the reduction in net assets of the subsidiary undertakings.

NOTES TO THE ACCOUNTS
Year ended 31 December 1999**11. FIXED ASSET INVESTMENTS (continued)**

Details of companies (excluding dormant companies) in which the company holds more than 10% of any class of equity share capital or more than 10% of the total allotted share capital are given below:

	Principal activity	Proportion of Ordinary Shares held
EIBTM Holdings Limited	Exhibition organising and design	100%
Reed Midem Organisation Limited	Exhibition organising and design	100%
Cahners Asia Limited	Magazine publisher	100%
IBIS Direct Marketing Limited	Exhibition organisation and design and mailing list distribution	100%
SARL Button Design Contracts France	Exhibition organising and design	100%
100% Design Limited	Exhibition organising and design	100%
Fresh RM Limited	Exhibition organising and design	50%
Highpine Limited	Development and management of Excel Exhibition Centre	11%

All of the above companies are registered and operating in England and Wales, with the exception of SARL Button Design Contracts France which is registered and operating in France.

The directors consider the market value of the company's investments to be not less than their carrying value.

12. DEBTORS

	1999 £	1998 £
Amounts falling due within one year		
Trade debtors	907,761	160,005
Amounts owed by ultimate parent company and fellow subsidiary undertakings	5,781,904	4,179,715
Amounts owed by subsidiary undertakings	151,051	182,368
Amounts owed by associated undertakings	1,088,517	-
Other debtors	209,277	324,281
Prepayments and accrued income	25,933	250,748
Deferred taxation (note 15)	53,427	52,313
	<u>8,217,870</u>	<u>5,149,430</u>
Amounts falling due after more than one year		
Amounts owed by ultimate parent company and fellow subsidiary undertakings	1,660,000	1,660,000
Amounts owed by subsidiary undertakings	3,880,532	3,880,532
Deferred taxation (note 15)	41,499	43,537
	<u>5,582,031</u>	<u>5,584,069</u>

NOTES TO THE ACCOUNTS**Year ended 31 December 1999****13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	1999 £	1998 £
Trade creditors	4,989,164	2,063,201
Amounts owed to ultimate parent and fellow subsidiary undertakings	18,824,817	9,140,095
Amounts owed to subsidiary undertakings	1,603,719	-
Other taxes and social security	726,649	291,142
Other creditors	7,779,245	5,316,699
Corporation tax	1,702,049	2,076,102
Accruals and net deferred income	131,083	3,138,830
	<u>35,756,726</u>	<u>22,026,069</u>

14. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	1999 £	1998 £
Amounts owed to subsidiary undertakings	<u>573,840</u>	<u>573,840</u>

15. PROVISIONS FOR LIABILITIES AND CHARGES

	£
Deferred taxation	
Balance at 1 January 1999	(95,850)
Released in year	<u>924</u>
Balance at 31 December 1999	<u>(94,926)</u>

The deferred taxation asset is included within debtors (note 12).

The amounts of deferred taxation provided and unprovided in the accounts are as follows:

	Provided 1999 £	Provided 1998 £	Not Provided 1999 £	Not provided 1998 £
Capital allowances in excess of depreciation	-	-	(529,964)	(79,784)
Other timing differences:				
Within one year	(53,427)	(52,313)	(60,148)	(99,665)
More than one year	<u>(41,499)</u>	<u>(43,537)</u>	<u>-</u>	<u>-</u>
	<u>(94,926)</u>	<u>(95,850)</u>	<u>(590,112)</u>	<u>(179,449)</u>

NOTES TO THE ACCOUNTS
Year ended 31 December 1999**16. CALLED UP SHARE CAPITAL**

		1999 £	1998 £
Authorised			
39,260	Ordinary shares of £1 each	39,260	39,260
526,000	Deferred shares of £1 each	526,000	526,000
		<u>565,260</u>	<u>565,260</u>
Called up, allotted and fully paid			
5,260	Ordinary shares of £1 each	5,260	5,260
526,000	Deferred shares of £1 each	526,000	526,000
		<u>531,260</u>	<u>531,260</u>

The Deferred shares confer on the holders:

- no right to participate in any dividend declared by the company
- no right to receive notice of or to attend or vote at any General Meeting of the company
- no right to receive any allotment of any shares of the company
- as to return of capital on a liquidation, reduction of capital or otherwise, the right to the amount paid up on such shares after the holders of the Ordinary shares have received the sum of £1,000,000 per ordinary share of £1

17. FINANCIAL COMMITMENTS

	1999 £	1998 £
Capital commitments		
Contracts placed	<u>112,562</u>	<u>201,889</u>

Operating lease commitments

At 31 December 1999, the company was committed to making the following payments during the next year in respect of operating leases:

	Land and buildings		Plant and machinery	
	1999 £	1998 £	1999 £	1998 £
Leases which expire:				
Within one year	19,000	26,275	5,300	2,000
Within two to five years	179,501	86,551	22,607	27,907
After five years	689,750	508,155	-	-
	<u>888,251</u>	<u>620,981</u>	<u>27,907</u>	<u>29,907</u>

NOTES TO THE ACCOUNTS**Year ended 31 December 1999****18. PENSIONS**

The company participates in the Reed Pension Scheme and the Reed Executive Pension Scheme. These schemes are of the defined benefit type providing benefits to certain employees within the Reed Elsevier plc group and their assets are held separately from the group's assets.

The total cost for the company of the Reed Pension Scheme was £Nil (1998 - £Nil). From 1 April 1989, on the recommendation of the group's actuaries, no company contributions have been made to this scheme. A valuation of the Reed Pension Scheme was carried out as at 5 April 1997. Details of this valuation are contained in the financial statements of Reed Elsevier plc.

The total cost for the company of the Reed Executive Pension Scheme was £46,365 (1998 - £37,035).

19. ULTIMATE PARENT COMPANY

The ultimate parent undertaking is Reed Elsevier plc which is registered in England and Wales.

Copies of the consolidated financial statements of Reed Elsevier plc may be obtained from its registered office at 25 Victoria Street, London, SW1H OEX. Reed Elsevier plc is jointly owned by Reed International PLC (a company registered in England and Wales) and Elsevier NV (a company incorporated in the Netherlands).

20. RELATED PARTY TRANSACTIONS

During the year, the company transferred the rights to run certain exhibitions to Fresh RM Limited. The company owns 50% of the ordinary share capital of Fresh RM Limited. The company recharges certain costs to Fresh RM Limited. The net recharges during the year ended 31 December 1999 amounted to £1,094,646 (1998 - £Nil). In addition, in the period between the agreement to transfer the right to run the exhibitions and the set-up of the legal and financial infrastructure of Fresh RM Limited, the company continued to run the exhibitions in order to minimise the disruption to the business. These transactions amounted to £2,535,999 (1998 - £Nil). At 31 December 1999, Fresh RM Limited owed the company £1,088,517 (1998 - £Nil).

There were no other material transactions during the year between The Reed Exhibition Companies Limited and the fellow associated undertakings of its ultimate parent company.

The fellow associated undertakings of the ultimate parent company are Elsevier Reed Finance BV and its subsidiaries. Elsevier Reed Finance BV is incorporated in the Netherlands and jointly owned by Reed International P.L.C. and Elsevier NV. The Elsevier Reed Finance BV group provides a range of treasury services to The Reed Exhibition Companies Limited.