

OXFORD PUBLISHING VENTURES LIMITED

GROUP

ANNUAL REPORT AND ACCOUNTS 1999

CRITCHLEYS

CHARTERED ACCOUNTANTS

Oxford



Registered number : 3278122

OXFORD PUBLISHING VENTURES LIMITED
GROUP
ANNUAL REPORT AND ACCOUNTS 1999

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OXFORD PUBLISHING VENTURES LIMITED

DIRECTORS AND ADVISORS

REGISTERED OFFICE	1 Des Roches Square Witan Way Witney Oxon OX8 6BE
HEAD OFFICE	3 Newtec Place Magdalen Road Oxford OX4 1RE
COMPANY'S REGISTERED NUMBER	3278122
DIRECTORS AND SECRETARY	
DIRECTORS	M R H J O'Regan G P Lewis D M Phillips
SECRETARY	D M Phillips
ADVISORS	
BANKERS	Barclays Bank plc Oxford Corporate Group P O Box 858 Oxford OX2 OXP
SOLICITORS	Brookstreet Des Roches 1 Des Roches Square Witan Way Witney Oxon OX8 6BE
AUDITORS	Critchleys Chartered Accountants Boswell House 1-5 Broad Street Oxford OX1 3AW

OXFORD PUBLISHING VENTURES LIMITED

REPORT OF THE DIRECTORS

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

PRINCIPAL ACTIVITY

Oxford Publishing Ventures Group's principal business is the creation, production and publication of high quality books and journals in the biomedical sciences and in popular reference for international sale.

In addition, the group licences publication rights for its titles to UK and overseas publishers.

RESULTS AND BUSINESS REVIEW

Total sales grew by 24% to £2,041,732 (1998 £1,642,460) and there was a retained loss after minorities of £96,020 (1998 loss £31,568). How To Books sales increased. BIOS overall sales increased but sales to the trade were flat compared to last year. This, together with co-edition sales in BIOS forming a more significant proportion of overall sales, brought about a decline in overall group margin. The group continued to suffer substantial stock write-offs arising from pre-acquisition publishing decisions in both subsidiaries. In addition payment for BIOS sales made in 1998 to the Middle-East proved uncollectable and were written off.

BIOS signed an agreement with the International Society for Animal and Human Mycology to publish the society's journal *Medial Mycology* from February 2000. BIOS also launched internationally a new major undergraduate textbook *Genomes* and published the second edition of *Human Molecular Genetics*. How to Books continued to diversify through the successful launch of two major new series, *Pathways and Essentials*, and in the development of sales in the UK through non-traditional trade outlets.

Although the outcome for the year was not up to the directors' expectations, the businesses continued to diversify and to increase their penetration of their respective markets. In spite of current difficulties in UK book shop trade, the group's diverse activities encourage the directors to view the future with confidence.

DIVIDEND

The board does not propose payment of a dividend.

DIRECTORS

The directors of the company during the period and their interests in the shares of the company as recorded in the register of directors' interests were as follows:

	31 December 1999 Ordinary shares	31 December 1998 Ordinary shares
M R H J O'Regan	474	474
G P Lewis	120	120
D M Phillips	24	24

DIRECTORS' REPORT
(continued)

Directors' Responsibilities

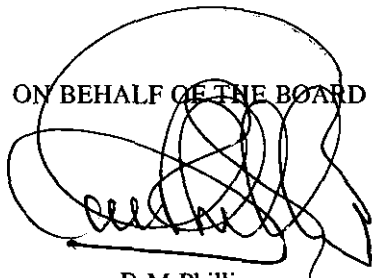
Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and the group at the end of the financial year and of the profit or loss of the company and the group for that year. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- 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 group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

AUDITORS

Critchleys have offered themselves for re-appointment as auditors in accordance with Section 385 of the Companies Act 1985.

ON BEHALF OF THE BOARD

D M Phillips
Secretary

2 August 2000

**AUDITORS' REPORT TO THE MEMBERS OF
OXFORD PUBLISHING VENTURES LIMITED**

We have audited the financial statements on pages 4 to 17 which have been prepared under the historical cost convention and the accounting policies set out on pages 4 to 5.

Respective responsibilities of directors and auditors

As described on page 2, 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 group'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 error or other irregularity. 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 affairs of the company and the group as at 31 December 1999 and of the loss of the group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Oxford
3 August 2000

Critchleys
Chartered Accountants
Registered Auditors

OXFORD PUBLISHING VENTURES LIMITED**PRINCIPAL ACCOUNTING POLICIES****Basis of preparation**

The financial information contained in this report has been prepared in accordance with Accounting Standards currently applicable in the United Kingdom. The principal accounting policies which have been consistently applied in preparing the financial statements of the group are set out below.

Accounting convention

The financial statements have been prepared under the historical cost accounting rules.

Basis of consolidation

The Group financial statements consolidate the financial statements of the company and all its subsidiary undertakings, made up to 31 December each year.

The results of the subsidiary undertakings acquired in the year are included in the consolidated profit and loss account from the date of acquiring control. Goodwill arising on consolidation represents the excess of the fair value of the consideration over the fair value of the identifiable assets and liabilities acquired and in 1997 was written off against the profit and loss reserve on acquisition.

In the company's accounts, the investments are stated at cost. Only dividends received and receivable are credited to the company's profit and loss account.

No profit and loss account is prepared for the company, as allowed by section 230 of the Companies Act 1985.

Turnover

Turnover comprises the invoice value, excluding value added tax, of goods and services supplied by the group.

Tangible fixed assets

Depreciation is calculated to write down the cost less estimated residual value of all tangible fixed assets by equal instalments over their estimated useful lives as follows:

Computer, other office equipment and furniture	25-50% straight line
Motor vehicles	33% straight line

Shares in subsidiary undertakings

Shares in subsidiary undertakings are stated at cost, less provision for any permanent diminution in their value.

Stock and work in progress

Stocks are valued at the lower of cost and net realisable value after making due allowance for any obsolete or slow moving items. In the case of work in progress, cost comprises actual production costs. The initial costs developing books are also included as work in progress.

OXFORD PUBLISHING VENTURES LIMITED**PRINCIPAL ACCOUNTING POLICIES (CONTINUED)****Foreign currencies**

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

Deferred taxation

Deferred taxation is provided on the liability method in respect of the taxation effect of all timing differences to the extent that tax liabilities are likely to crystallise in the foreseeable future.

Goodwill

Goodwill represents the difference between the fair value of the consideration paid on acquisition of a journal title and the fair value of its separable net assets at the date of acquisition. Goodwill is amortised over its expected useful life of 10 years.

Leases and hire purchase contracts

Tangible fixed assets acquired under finance leases and hire purchase contracts are capitalised at the estimated fair value at the date of inception of each lease or contract. The total finance charges are allocated over the period of the lease in such a way as to give a reasonably constant charge on the outstanding liability.

Rentals paid under operating leases are charged to income as incurred.

OXFORD PUBLISHING VENTURES LIMITED

GROUP PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 1999

	Note	1999 £	1998 £
Turnover	1	2,041,732	1,642,460
Cost of sales		(615,441)	(434,076)
Gross profit		1,426,291	1,208,384
Operating expenses		(1,528,699)	(1,265,449)
Other operating income	2	-	25,000
Operating loss	3	(102,408)	(32,065)
Interest payable and similar charges	4	(27,959)	(23,680)
Loss on ordinary activities before taxation		(130,367)	(55,745)
Taxation	5	-	(137)
Loss for the financial year		(130,367)	(55,882)
Minority interests		34,347	24,314
Loss for the financial year attributable to equity shareholders	17	(96,020)	(31,568)

Movements in reserves are shown in the notes to the financial statements.

None of the company's activities were acquired or discontinued during 1999 or 1998.

There are no recognised gains and losses in 1999 or 1998 other than the profit for the year.

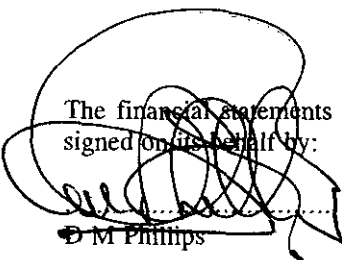
OXFORD PUBLISHING VENTURES LIMITED

GROUP AND COMPANY BALANCE SHEET

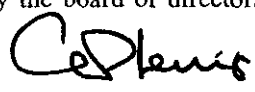
AS AT 31 DECEMBER 1999

		1999		1998	
	Note	Group £	Company £	Group £	Company £
Fixed assets					
Intangible	7	65,323	-	73,081	-
Tangible assets	8	21,543	-	29,925	-
Investments	9	-	1,541,418	-	1,441,418
		<u>86,866</u>	<u>1,541,418</u>	<u>103,006</u>	<u>1,441,418</u>
Current assets					
Stocks	10	501,616	-	480,659	-
Debtors	11	479,324	49,739	401,794	14,099
Cash at bank and in hand		118,989	118,943	66,336	50,073
		<u>1,099,929</u>	<u>168,682</u>	<u>948,789</u>	<u>64,172</u>
Creditors: amounts falling due within one year	12	<u>(890,111)</u>	<u>(41,842)</u>	<u>(763,884)</u>	<u>(35,414)</u>
Net current assets		<u>209,818</u>	<u>126,840</u>	<u>184,905</u>	<u>28,758</u>
Total assets less current liabilities		<u>296,684</u>	<u>1,668,258</u>	<u>287,911</u>	<u>1,470,176</u>
Creditors: amounts falling due after more than one year	13	<u>(212,310)</u>	<u>(200,000)</u>	<u>(73,170)</u>	<u>-</u>
Total assets less total liabilities		<u>84,374</u>	<u>1,468,258</u>	<u>214,741</u>	<u>1,470,176</u>
Capital and reserves					
Called up share capital	15	155	155	155	155
Share premium account	16	1,238,069	1,238,069	1,238,069	1,238,069
Profit and loss account	16	(1,192,209)	230,034	(1,096,189)	231,952
Total shareholders' funds	17	<u>46,015</u>	<u>1,468,258</u>	<u>142,035</u>	<u>1,470,176</u>
Minority interests	14	<u>38,359</u>	<u>-</u>	<u>72,706</u>	<u>-</u>
		<u>84,374</u>	<u>1,468,258</u>	<u>214,741</u>	<u>1,470,176</u>

The financial statements on pages 4 to 17 were approved by the board of directors on 2 August 2000 and signed on its behalf by:



D M Phillips



G P Lewis

OXFORD PUBLISHING VENTURES LIMITED

GROUP CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 1999

	1999		1998	
	£	£	£	£
Net cash (outflow)/inflow from operating activities (see Note a)		(156,533)		35,215
Returns on investments and servicing of finance				
Interest paid		(27,959)		(23,680)
Taxation				
Taxation paid		-		(9,739)
Capital expenditure and financial investment				
Purchase of tangible fixed assets	(952)		(14,894)	
Purchase of intangible fixed assets	(13,151)		(25,464)	
		(14,103)		(40,358)
		(198,595)		(38,562)
Financing				
Issue of share capital	-		103,000	
Repayment of loans	(31,250)		(43,750)	
Loan advances	200,000		-	
Capital element of finance lease rentals	(5,885)		(4,535)	
		162,865		54,715
(Decrease)/increase in cash		(35,730)		16,153
Reconciliation of net cash flow to movement in net debt (see Note b)				
		1999		1998
		£		£
Increase/(decrease) in cash in the year		(35,730)		16,153
Cash (inflow)/outflow from (increase)/decrease in debt		(162,865)		48,285
Change in net debt resulting from cash flows		(198,595)		64,438
Loans acquired with subsidiaries		-		-
New finance leases		(6,375)		(15,900)
Movement in net debt for the year		(204,970)		48,538
Net debt at 1 January 1999		(117,342)		(165,880)
Net debt at 31 December 1999		(322,312)		(117,342)

OXFORD PUBLISHING VENTURES LIMITED

NOTES TO THE CASH FLOW STATEMENT

a. Reconciliation of operating profit
to operating cash flows

	1999 £	1998 £
Operating loss	(102,408)	(32,065)
Depreciation and amortisation	22,966	13,321
Increase in stocks	(20,957)	(98,755)
(Increase)/decrease in debtors	(77,530)	74,434
Increase in creditors	21,396	78,280
Net cash (outflow)/inflow from operating activities	(156,533)	35,215

b. Analysis of net funds/(debt)

	As at start of year £	Cash flows £	Other changes £	As at end of year £
Cash at bank and in hand	66,336	52,653	-	118,989
Overdraft	(102,000)	(88,383)	-	(190,383)
	(35,664)	(35,730)	-	(71,394)
Debt due after 1 year	(39,063)	(200,000)	31,250	(207,813)
Debt due within 1 year	(31,250)	31,250	(31,250)	(31,250)
Finance leases	(11,365)	5,885	(6,375)	(11,855)
Total	(117,342)	(198,595)	(6,375)	(322,312)

OXFORD PUBLISHING VENTURES

NOTES TO THE FINANCIAL STATEMENTS

1	TURNOVER AND PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	1999 £	1998 £
	The turnover and profit before tax are attributable to the group's principal activity.		
	An analysis of turnover by geographical market is given below:		
	UK	1,338,577	1,052,987
	USA	337,331	234,943
	EUROPE AND THE REST OF THE WORLD	365,824	354,530
		<u>2,041,732</u>	<u>1,642,460</u>
2	OPERATING INCOME	1999 £	1998 £
	Exceptional item - life insurance proceeds	-	25,000
3	THE PROFIT ON ORDINARY ACTIVITIES IS STATED AFTER CHARGING:	1999 £	1998 £
	Auditors' remuneration	16,528	13,617
	Operating lease rentals - land and buildings	30,960	34,624
	- other	14,163	22,632
	Depreciation - owned assets	8,991	9,283
	- leased assets	6,717	4,038
	Amortisation of goodwill	7,258	-
4	INTEREST PAYABLE AND SIMILAR CHARGES	1999 £	1998 £
	Bank interest	11,404	8,027
	Bank loan interest	5,324	12,299
	Finance lease interest	1,295	2,037
	Other interest	9,936	1,317
		<u>27,959</u>	<u>23,680</u>
5	TAXATION	£	£
	UK corporation tax at 21%	-	-
	Underprovision for previous years	-	137
		<u>-</u>	<u>137</u>

OXFORD PUBLISHING VENTURES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

6	DIRECTORS AND EMPLOYEES	1999	1998
		£	£
	Wages and salaries	320,956	252,116
	Social security costs	28,083	23,810
	Compensation for loss of office	-	13,000
		<u>349,039</u>	<u>288,926</u>
		1999	1998
		No.	No.
	Average monthly number employed including executive directors:		
	Editorial and production	7	5
	Management and administration	4	6
	Marketing	6	3
		<u>17</u>	<u>14</u>
	Directors emoluments	£	£
	Payments made to a company controlled by directors for directors' services (see note 19)	<u>125,896</u>	<u>105,000</u>
7	INTANGIBLE FIXED ASSETS		Goodwill
			£
	Cost		
	1 January 1999		73,081
	Adjustment		(500)
	31 December 1999		<u>72,581</u>
	Amortisation		
	Provision for the year		7,258
	31 December 1999		<u>7,258</u>
	Net book amount		
	31 December 1999		<u>65,323</u>
	31 December 1998		<u>73,081</u>

OXFORD PUBLISHING VENTURES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

8 TANGIBLE ASSETS

	Motor vehicles £	Computers Office equipment and furniture £	Total £
Cost			
1 January 1999	9,995	39,360	49,355
Additions	-	7,326	7,326
	<hr/>	<hr/>	<hr/>
At 31 December 1999	9,995	46,686	56,681
	<hr/>	<hr/>	<hr/>
Depreciation			
1 January 1999	3,054	16,376	19,430
Charge for year	3,332	12,376	15,708
	<hr/>	<hr/>	<hr/>
At 31 December 1999	6,386	28,752	35,138
	<hr/>	<hr/>	<hr/>
Net book amount			
31 December 1999	3,609	17,934	21,543
	<hr/>	<hr/>	<hr/>
31 December 1998	6,941	22,984	29,925
	<hr/>	<hr/>	<hr/>

The net book amount of fixed assets includes £11,520 (1998 £11,682) in respect of assets held under finance leases.

9 FIXED ASSET INVESTMENTS

Subsidiary Undertakings	Shares £	Loans £	Total £
1 January 1999	1,291,418	150,000	1,441,418
Additions	-	100,000	100,000
	<hr/>	<hr/>	<hr/>
31 December 1999	1,291,418	250,000	1,541,418
	<hr/>	<hr/>	<hr/>
Subsidiary Undertaking	Country of incorporation	Proportion of ordinary shares held	Nature of business
How to Books Ltd	England	100.00%	Publishing
BIOS Scientific Publishers Ltd.	England	75.12%	Publishing

OXFORD PUBLISHING VENTURES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

9 FIXED ASSET INVESTMENTS (CONTINUED)

Subsidiary undertakings

How to Books Limited issued and fully paid ordinary share capital was £100; its share capital and reserves as at 31 December 1999 were £170,847 (1998 £161,246); and the company's share of the retained profit for the year was £9,601 (1998 profit £44,819).

BIOS Scientific Publishers Limited has issued and fully paid ordinary share capital of £597,046; issued and fully paid preference shares of £138,274; the deficit of share capital and reserves as at 31 December 1999 was £263,315 (1998 £125,263); and the company's share of the retained loss for the period was £103,705 (1998 £73,411).

10 STOCKS

	1999		1998	
	Group £	Company £	Group £	Company £
Work in progress	85,112	-	87,574	-
Finished goods	416,504	-	393,085	-
	<u>501,616</u>	<u>-</u>	<u>480,659</u>	<u>-</u>

11 DEBTORS

	1999		1998	
	Group £	Company £	Group £	Company £
Amounts falling due within one year				
Trade debtors	391,808	-	330,524	-
Amounts owed by group undertakings	-	42,109	-	12,851
Other debtors	61,060	7,630	47,175	1,248
Prepayments	26,456	-	24,095	-
	<u>479,324</u>	<u>49,739</u>	<u>401,794</u>	<u>14,099</u>

12 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	1999		1998	
	Group £	Company £	Group £	Company £
Bank loans	31,250	-	31,250	-
Bank overdraft	190,383	-	102,000	-
Trade creditors	523,204	30,294	481,505	-
Other creditors	34,952	-	47,033	27,984
Accruals and deferred income	71,647	11,548	77,640	7,430
Corporation tax	-	-	-	-
Other taxation and social security	31,318	-	18,581	-
Obligations under finance leases	7,357	-	5,875	-
	<u>890,111</u>	<u>41,842</u>	<u>763,884</u>	<u>35,414</u>

Other loans are unsecured (see also note 19)

OXFORD PUBLISHING VENTURES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

**13 CREDITORS: AMOUNTS FALLING
DUE AFTER MORE THAN ONE YEAR**

	1999		1998	
	Group	Company	Group	Company
	£	£	£	£
Other loans	200,000	200,000	-	-
Bank loans	7,812	-	39,063	-
Obligations under finance leases	4,498	-	5,490	-
Other creditors	-	-	28,617	-
	<u>212,310</u>	<u>200,000</u>	<u>73,170</u>	<u>-</u>

Maturity of debt

	Group	
	1999	1998
	£	£
In one year or less, or on demand - see note 12	31,250	31,250
Between one and two years	207,812	31,250
Between two and five years	-	7,813
	<u>239,062</u>	<u>70,313</u>

Obligations under finance leases and hire purchase contracts

These are repayable over varying periods by monthly instalments as follows:

In the next year - see note 12	7,357	5,875
In the second to fifth years	4,498	5,490
	<u>11,855</u>	<u>11,365</u>

The bank loan and overdraft is secured by a fixed and floating charge over the assets of the group. Finance lease liabilities are secured on the related assets. Other creditors represent deferred purchase consideration.

Other loans are unsecured (see also note 19)

OXFORD PUBLISHING VENTURES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

14	MINORITY INTERESTS	1999		1998	
		Group £	Company £	Group £	Company £
	Preference shares in subsidiary undertakings	138,274	-	138,274	-
	Minority interests attributable to equity shareholders	(99,915)	-	(65,568)	-
		<u>38,359</u>	<u>-</u>	<u>72,706</u>	<u>-</u>

There is no obligation of the group to provide finance that may not be recoverable in respect of losses and net liabilities attributable to the minority interests.

Losses in respect of minority interests are all attributable to equity shareholders.

15	SHARE CAPITAL	1999		1998	
		Number	£	Number	£
	Called up share capital				
	Ordinary shares of 25p each				
	Authorised	20,000	5,000	20,000	5,000
	Ordinary shares of 25p each				
	Allotted, called-up and fully paid	618	155	618	155

16	RESERVES			
	Group	Ordinary shares issued £	Share premium account £	Profit and loss account £
	As at 1 January 1999	155	1,238,069	(1,096,189)
	Retained loss for the year	-	-	(96,020)
	As at 31 December 1999	155	1,238,069	(1,192,209)

£1,037,366 of goodwill arising on acquisition of subsidiaries was charged to the profit and loss account reserve in 1997

OXFORD PUBLISHING VENTURES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

16 RESERVES (Contd.)
Company

	Ordinary shares issued £	Share premium account £	Profit and loss account £
As at 1 January 1999	155	1,238,069	231,952
Retained loss for the year	-	-	(1,918)
As at 31 December 1999	<u>155</u>	<u>1,238,069</u>	<u>230,034</u>

**17 RECONCILIATION OF MOVEMENTS IN
SHAREHOLDERS' FUNDS**

	Group £	1999 Company £	Group £	1998 Company £
(Loss)/profit attributable to shareholders	(96,020)	(1,918)	(31,568)	(2,976)
New share capital subscribed in the year	-	-	103,000	103,000
(Decrease)/increase in shareholders' funds	(96,020)	(1,918)	71,432	100,024
Shareholders' funds at the beginning of the year	<u>142,035</u>	<u>1,470,176</u>	<u>70,603</u>	<u>1,370,152</u>
Shareholders' funds at the end of the year	<u>46,015</u>	<u>1,468,258</u>	<u>142,035</u>	<u>1,470,176</u>

18 GUARANTEES AND OTHER FINANCIAL COMMITMENTS

Bank borrowings are secured by a fixed and floating charge over the assets of the company and by cross guarantees between the company and its subsidiary undertakings.

Financial commitments under non cancellable operating leases will result in the following payments falling due in the year to 31 December 2000 for the group.

	Land & buildings £	1999 Other £	Land & buildings £	1998 Other £
Expiring within 1 year	-	13,479	1,470	885
Expiring within 2 and 5 years	28,069	-	18,000	17,813
	<u>28,069</u>	<u>13,479</u>	<u>19,470</u>	<u>18,698</u>

OXFORD PUBLISHING VENTURES LIMITED**NOTES TO THE FINANCIAL STATEMENTS****19 RELATED PARTIES**

G P Lewis, D M Phillips and M R H J O'Regan are also directors of Rouncy Limited. The services of G P Lewis and D M Phillips are provided to the group under the terms of an agreement between the group and Rouncy Limited. In addition, Rouncy Limited provides office accommodation and administrative services to Oxford Publishing Ventures Limited and its subsidiaries.

During the year the group was charged £180,000 (1998 £134,000) by Rouncy Limited for these services together with an additional £22,000 for professional services. At 31 December 1999 £27,259 (1998 £27,984) was owed to Rouncy Limited in respect of these and other transactions.

The company is controlled by M R H J O'Regan as he, together with his close family, owns the majority of the shares.

During the year M R H J O'Regan loaned the company £200,000, the loan has no fixed terms of repayment, but interest of 7% is payable on the loan.